
| RESEARCH ARTICLE

Implementation and Challenges of the India-Middle East-Europe Corridor (IMEC)

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| ABSTRACT

This paper discusses the implementation and challenges of the India-Middle East-Europe Corridor (IMEC). In addition to economic motivations, the IMEC's major geopolitical drive is to counter the Chinese Belt and Road Initiative (BRI) and to normalize the relations between Arab states and Israel. However, the corridor faces many risks and difficulties because it will cross the geopolitically delicate Middle East, where ongoing wars, conflicts, political instability, and regional confrontations exist.

| KEYWORDS

India-Middle East-Europe Corridor; economic motivations; Chinese Belt and Road Initiative

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1-Introduction

With the changing global economic, political, security, and strategic conditions and the importance of trade and logistic corridors the Group of 20 world economic powers; the United States, India, the UAE, Saudi Arabia, the European Union, France, Italy, and Germany planed the India-Middle East-Europe Corridor (IMEC). The initiative aims to connect Europe, the Middle East, and India by rail and sea, enhance connectivity and economic integration between Asia, the Persian Gulf, and Europe, and promote multilateral economic and trade development. Yet, it is not just an economic project, the move comes amid US efforts to strike a broader diplomatic deal in the Middle East that normalizes relations between Israel and the Persian Gulf states. In addition, it is regarded as one of the key measures aimed at countering China's growing influence in the global south and replacing the Chinese Belt and Road Initiative (BRI) which currently spans Asia, Africa, and Latin America and gives China "considerable influence". However, the planned corridor faces several geopolitical, technological, infrastructural, and environmental challenges. This paper aims to address the implementation and challenges of the IMEC. It argues the corridor faces many risks and difficulties because it will cross the geopolitically delicate Middle East, where ongoing wars, conflicts, political instability, and regional confrontations exist.

2-The India-Middle East-Europe Corridor (IMEC): an overview

With the changing global economic, political, security, and strategic conditions, states are seeking to create more economic opportunities to optimize their foreign policy costs in a world full of uncertainties. In today's world, the two global forces of neoliberal economics and neo-mercantilism seek to gain supremacy in the world around them. The world is divided between two maritime systems, led by the United States, and a land system led by China. With the increase in China's economic and military power, mercantilism has once again returned to the scene of global economic operations.

In such a world, economic corridors, as vital arteries of the geo-economic order of the global economy, have received great attention from the major global and regional powers. States are trying to redefine their foreign policy instructions within the framework of global enterprise policies to increase their national interests and create wealth. Corridors that not only have global and transcontinental dimensions but sometimes have geopolitical dimensions. Such as the Chinese Belt and Road initiative which

spans Asia, Africa, and Latin America, the development road of Iraq, which is a regional project with the participation of Turkey, the United Arab Emirates, Iraq, and Qatar, or the Zangezur Corridor project in the Caucasus, which not only has important regional dimensions but also has important national dimensions for Armenia and Azerbaijan due to its location in a small country in the Caucasus (Tin News, 2023).

In this context, on September 9, 2023, the India-Middle East-Europe Corridor was unveiled during the summit of the Group of 20 world economic powers in New Delhi, India. The initial memorandum of understanding for the India-Middle East-Europe Corridor or Arab-Med – signed by America, India, the European Union, France, Italy, Germany, Saudi Arabia, and the United Arab Emirates to create a new multidimensional transport route. The corridor envisioned two sections: an eastern maritime link between India and the Persian Gulf region, and a northern section that would connect the Arabian Peninsula to Europe. A new railway network would connect these to link the Persian Gulf with the Mediterranean through Jordan and Israel. Beyond the transport infrastructure, undersea cables would facilitate the exchange of data, and it is claimed that long-distance hydrogen pipelines would boost the participants' climate and decarbonization goals (the White House, 2023, Rizzi, 2024). At the summit, attendees announced a new corridor plan related to the transit route between India, the Middle East, and Europe. Previously, in 2021, in line with the cooperation of the United States, India, Israel, and the United Arab Emirates, there were also negotiations related to the launch of such a corridor. Under this project, Indian goods will be sent from Mumbai to Jebel Ali in the UAE, then transported by train via Saudi Arabia to Israel, and from the port of Haifa in Israel, the goods will be transported to European ports in Piraeus (Greece), Marseille (France) and Messina (Italy) and then to other European countries by rail, land, and sea lines. The multimodal economic corridor, which encompasses multiple shipping networks, railways, and roads, aims to create a continuous trade route connecting India, the United Arab Emirates, Saudi Arabia, Jordan, Israel, and Europe (see the map).

The India-Middle East-Europe Corridor Map



Source: <https://www.civildaily.com/news/india-middle-east-europe-corridor> (2023).

The main designers and supporters of this parallel corridor with China's Belt and Road Initiative intend to compete with China and undermine the BRI, which has been implemented in the global south and is supposed to take China through road, rail, sea, and air routes to Asia, Africa, and Latin America to expand trade relations with emphasizing on multilateralism and equitable development of the participant countries (Moiz Khan, 2023).

China, which with rapid economic growth and tremendous developments in many fields, including technology, services, and various industries, is now in the position of the world's second economic power with a not very significant distance from the United States, and according to the predictions of experts and reputable research centers, it will surpass America in less than a decade and become the world's first economic power. Accordingly, one of the major motivations of America and its closest allies behind

the Indian-Israel-Europe Economic Corridor is to compete with China's global influence through BRI (Manafi, 2023). However, some other motives also are considered.

However, it should be noted that the Belt and Road Initiative is considered a global megaproject, and despite the efforts of the United States and India, the IMEC corridor project lacks the capability, capacity, and potential to seriously compete with it in terms of the areas covered, including Asia, Africa, Latin America, and part of Europe; the population and GDP of all the regions and countries that are included in the initiative; and the scope and extent, level, and value of economic, trade, technological, cultural, people-to-people, and educational exchanges. In particular, the BRI is designed to develop infrastructure in the participant countries and there are a large number of big projects which are under construction in the framework of this initiative. More importantly, several financial institutions are intended to support the BRI and its projects around the globe.

Many factors indicate that the IMEC corridor is more of a political project than an economic one. This is because the project is expensive and the countries along the route lack the necessary infrastructure. For example, Greece has a very underdeveloped rail system, and the deserts of Arabia and the United Arab Emirates must have a modern railway. Similarly, the project includes submarine power cables, a green hydrogen pipeline, and other infrastructure. Indeed, IMEC is not just a purely economic project in this regard, attention should also be paid to the design of the political and information-security context of the covered area. In this regard, one major political drive is to promote normalizing the relations between the Middle Eastern states and Israel. In addition, Washington sees a need to pull India away from Russia and Iran's spheres of clout. America also seeks to pull the Persian Gulf states away from Russia and China's orbits of influence (Cafiero, 2023). Moreover, the context is made up of the intelligence communities of the member states of this path, as well as the support of the intelligence elements of the main supporters of this plan.

The fact is that since the years before the conclusion of the Abraham Accords (2020), two very important intelligence and security developments have been taking place in this region. On the one hand, intelligence relations between the Arab states the Persian Gulf region, and Israel have become more frequent, and these relations are characterized by their expansion and fast growth. On the other hand, India also views Israel and, of course, the United States as reliable allies against Pakistan and, of course, China. It is for this reason that extensive and deep relations have been formed between the intelligence community of the Israeli government, the Indian intelligence community, and especially the Intelligence Research and Analysis Organization as the Central Intelligence Organization of India over the past years, especially during the war on terror of the United States in 2001-2003.

3-Normalizing the relations between Arab states and Israel via IMEC

The IMEC enterprise, supported by America and Israel, has been cited as a futuristic economic corridor to boost economic development by strengthening economic connectivity and integration between South Asia, the Persian Gulf region, Jordan, Israel, and Europe. Yet, with a deeper and more comprehensive look at the developments in the current situation in the world, and especially the support of the United States for this project, it seems that behind the goals defined for this plan, as mentioned above, there are political motives beyond the claimed economic objectives.

Some analysts assessed the purpose of the plan as an effort by Washington and Tel Aviv to accelerate the process of normalization of relations between Arab states, led by Saudi Arabia, with Israel, a goal that the United States has pursued for some time, fostering investments and economic interests to bring the two countries together in the long run (Noureddine, 2023, Cafiero, 2023). A few weeks before the announcement of this corridor in September 2023, there had been talks about signing a reconciliation agreement between Riyadh and Tel Aviv, and in this regard, the Saudi Arabian government was hosting a delegation from the Israeli regime. Indeed, the India-Middle East-Europe Corridor Initiative seeks to establish rail and road lines between Israel and Arab countries, accelerating and facilitating the process of normalizing Arab-Israeli relations by taking advantage of the capacity of the long-standing relations between Israel and India. On the other hand, by playing India's procrastinating role in the development of the Iranian port of Chabahar, it simultaneously pursues the transit embargo on Iran, which is a major enemy of Israel.

Some political experts saw the IMEC as a way that the United States pressured Saudi Arabia to recognize Israel (Bakare, 2024, Noureddine, 2023). It is worth noting that although historically Saudi Arabia and Israel have had no formal diplomatic relations, in recent years there has been evidence of efforts by both sides to improve bilateral relations. In late 2023, Saudi Crown Prince Mohammed bin Salman, in an interview with Fox News, announced the growing trend of normalization of relations between Saudi Arabia and Israel (Spetalnick and Beech, 2023). Yet, Israel's ongoing war on Gaza and Lebanon has changed the fate of normalizing relations between Saudi Arabia and Israel, and it seems this notion will be suspended, at least for a long time, which will also undoubtedly affect the fate of the India-Middle East-Europe corridor project. After the outbreak of the conflict, Saudi Arabia, in line with the public opinion of the Arab world, and according to some published reports, senior Saudi officials ordered the halt of trilateral talks between Saudi Arabia, the United States, and Israel.

It is believed that one of the important motivations for the architecture and design of this corridor after the normalization of diplomatic relations between the UAE and Israeli government was the attempt to continue concluding peace treaties and recognizing Israel in the Arab and Islamic worlds. In other words, the IMEC corridor has been designed to encourage more Arab countries to normalize relations with Israel by creating economic, security, and logistical platforms. In this regard, it has received special support from the United States and India.

4-Major Challenges to the IMEC Initiative

The IMEC is facing a challenging geopolitical environment. The corridor passes through regions with complex geopolitical issues, including conflicts, disputes, wars, and rivalries. The corridor passes through an area with various political dynamics, where long-standing conflicts such as the Saudi-Iranian rivalry, threaten to derail cooperation despite recent attempts at reconciliation (Ghanem and Sánchez-Cacicedo, 2024). The extreme diversity of the political systems of the countries participating in this project can be the source of enormous challenges for this project because the existence of different ideologies and political values and systems can stop the effective implementation of this corridor and possibly create a gap between the stakeholders. Moreover, the exclusion of key regional players, including the Islamic Republic of Iran, Turkey, Qatar, Egypt, and Oman, poses a significant challenge to realizing IMEC. The planned route from Mumbai-Mundra to the UAE, Saudi Arabia, Israel, and Greece bypasses Turkish territory. Turkish President, Erdoğan, has criticized the corridor, warning that “there can be no corridor without Turkey” and adding that “the most appropriate route for trade from East to West must pass through Turkey”(Rahman, 2023). Turkey’s involvement in alternative projects, including the TITR, Qatar-Turkey Pipeline, Southern Gas Corridor, and Iraq Development Road Project, complicates potential coordination with IMEC. Excluding Turkey could exacerbate tensions with Greece over unresolved maritime disputes in the Eastern Mediterranean.

Technically, this corridor does not have much of a specific benefit for India, neither in terms of time nor location. Despite the country’s investment in the ports of Oman and the United Arab Emirates for the first point of connection from Mumbai and Gujarat to the Middle East, the port of Fujairah in the United Arab Emirates is not able to compete with the port of Chabahar or even Gwadar in terms of transit volume (Pandya, 2024).

Another point is that with the turmoil of Israel's position, the value of the shares of some of the most important Indian companies, including the shares of the company and Adani Port, has decreased significantly. In a way, it can be said that India is losing its excuse to form the IMEC corridor. Perhaps if the US pressure is reduced, India will come out of this project and prioritize the North-South Corridor, a plan that India’s opposition parties (the Congress Party and the Aam Aadmi Party) insist on it.

More importantly, active conflicts make matters even more complicated. The ongoing Israeli wars in Gaza, Lebanon, and Syria, combined with Israel's strained relations with Iran and Islamabad's close ties to China, pose significant challenges to regional unity. The talks between Israel and Saudi Arabia to finalize the Abraham Accords, combined with public opposition in Jordan following the outbreak of the Gaza war, add another layer of complexity. Local perceptions of the United States and the European Union as Israel supporters may impede all actors' efforts to build trust. As Abdullah Baabood (2024) from Carnegie Middle East Center has said with anti-Israel sentiment spreading across the Middle East due to the war, establishing any new economic and diplomatic links such as IMEC between Israel and the Arab world will be increasingly challenging.

This project faces several challenges to be implemented. Countries such as Iran, Egypt, and Turkey opposed this project from the beginning. On the other hand, In addition to the above, ensuring security; the multifaceted nature of this corridor, transporting goods from one point by ship, unloading them at ports, and re-transporting them through rail and landlines are all factors that make this corridor less attractive for traders and investors.

5-Conflict Escalations between Israel and Palestinians and Lebanon and the IMEC situation

The American-Israeli idea of creating an India-Israel-Europe Economic Corridor, which is evidently supposed to connect India to Israel and then to Europe through the United Arab Emirates, Saudi Arabia, and Jordan, has now found an uncertain fate with the emergence of new conditions in the Middle East and the fire of war on Gaza and Lebanon that has engulfed Israel.

Providing security is the basic requirement for the launch of the IMEC corridor, the insecurity of the port of Haifa has been one of the main reasons for suspending the IMEC corridor project. Haifa is the largest, most vital, and most diverse port of Israel. It plays a pivotal role in Israel’s imports and exports, and in addition to enjoying a strategic location in the north of Israel, it is close to the European and Mediterranean markets. The port has numerous transportation and logistics facilities which make it a maritime and land transportation hub and enhance its capabilities as a major commercial gateway to the region. Indeed, the port of Haifa in Israel due to its geopolitical position plays a key role in the IMEC initiative. The escalated conflict in the Middle East has diverted attention from the IMEC project. Due to the importance of this port for the Israeli government, it has become one of the centers of the conflict and has been attacked by Hezbollah and other region’s resistance groups many times (Ghanem and Sánchez-

Cacicedo, 2024). There is also the view that IMEC had many flaws from the beginning and would not have been accomplished even without the escalation of tensions in the Middle East.

Since the beginning of Operation Al-Aqsa Storm on October 7, 2023, the Israeli military aggression in the Gaza Strip the port of Haifa has been the target of missile and drone responses by resistance groups from Iraq to Lebanon and Gaza. Since then the number of container loads in the port of Haifa has decreased from an average of 13,000 per month to only about 4,000 containers, and in November 2023, it dropped even more sharply to less than 3,000 containers (Nejat, 2024). In particular, after the killing of Sayyed Hassan Nasrallah, the secretary-general of the Lebanese Hezbollah, the intensity of the party's attacks on the port has increased significantly. Consequently, it seems that the completion and implementation of this IMEC project will be far more problematic than in the past. According to researchers at the Global Research Initiative think tank, the recent clashes between Hamas and Israel may lead to a delay or suspension of the implementation of the India-Middle East-Europe Corridor. While the immediate consequences of these conflicts are limited to Israel and Gaza and Lebanon, its long-term and far-reaching effects on the entire Middle East cannot be easily ignored. The prolongation of the war in the Gaza Strip could seriously challenge the prospects of the normalization process between Saudi Arabia and Israel, which are among the axes of this corridor. According to the above, the Gaza war can stop the process of normalization of relations between the Israeli regime and Saudi Arabia. As a result, the process of implementation and completion of projects such as IMEC will be slowed down or stopped by stopping bilateral cooperation.

In addition, as a result of these attacks, the general atmosphere of many Arab countries, such as Jordan, Bahrain, and the United Arab Emirates, which have established diplomatic relations with Israel, was also against Israel and aligned with the Palestinians. In many of these countries, widespread demonstrations were held against Israel. Even high-ranking officials from many of the countries mentioned condemned the Israeli attacks on Gaza and called for an end to these attacks. For example, King Abdullah II of Jordan announced his unwavering support for Palestine. Any project linking Jordan to Israel would face strong opposition from the Jordanian public, especially the Palestinians, and the government has taken a strong stance against Israel's bombing of Gaza and Lebanon (Moiz Khan, 2023). It seems that if the Israeli attacks on the Gaza Strip and Lebanon continue, many Arab countries will also try to reduce or cut off their economic-political relations with Israel to satisfy the public opinion of the Arab world. As a result, many cooperation projects such as IMEC will be stopped or slowed down.

Besides, this corridor will pass through a narrow route between the West Bank and the Gaza Strip, and in the best-case scenario, it is only 25 kilometers from the Gaza Strip. The Gaza operation and the cancellation of many flights and transportation operations throughout Israel caused many investment companies around the world to doubt the safety of this route. After the outbreak of the conflict, the price of oil in the world increased, the global demand for gold soared, and the shares of many reputable companies in the world experienced an unprecedented decline. For example, shares of Indian railway and shipping companies fell 5-6% due to fears of the impact of the war on India's plan to build railways along the India-Middle East corridor. On the other hand, shares of Adani Port, which owns the port of Haifa, and shares of Israeli shipping companies fell by about 5 percent (ANI, 2023).

The second impact of the Israel-Gaza and Israel-Lebanon battles is related to the insecurity of the transit routes from Israel. As is clear, security has an important impact on increasing investment and attracting capital in many different parts of the world. The outbreak of war increases insecurity in transit routes and consequently reduces transportation through those routes.

6-Conclusion

In September 2023, the India-Middle East-Europe Economic Corridor was proposed as a project to increase trade and connectivity between South Asia, the Persian Gulf, and Europe. Conversely, to counter China's increasing influence in the region through the BRI and to better align with their strategic goals, the US and EU are working to increase their connectivity with South Asia and the Persian Gulf. The initiative is also intended to support Washington's goal of normalizing ties between Israel and the sultanates of the Persian Gulf. Israel's war on Gaza and Lebanon has pushed the issue off the agenda, and it will now be far more difficult to shape new economic and political relations between Israel's government and the Middle Eastern states.

Despite the many advertisements highlighting its advantages, there are numerous barriers to the India-Middle East-Europe corridor project. The IMEC project has faced challenges due to the escalating conflict and instability in the Middle East. Internal differences between countries such as the lack of official diplomatic ties between Saudi Arabia and Israel and traditional Middle East political dynamics and conflicts can undermine the development of the project. Progress on the western portion of the IMEC corridor has already been slowed by the escalation of the Israel-Palestine conflict that began in October 2023 and the ongoing Israeli war against Gaza and Lebanon. Because Saudi Arabia and Jordan are reluctant to be seen working closely with the Israeli government in the face of ongoing tensions, this instability makes cooperation between Israel and the sultanates of the Persian Gulf more difficult. Furthermore, the initiative has been slowed down by several obstacles, including the need to cross multiple national borders, the necessary infrastructure investments, the desert location of portions of the transit route, regional tensions

and developments, and the delicate relationship between Arab nations and Israel. Furthermore, Israel's inclusion in the IMEC, as well as the exclusion of some of the region's major countries, such as Turkey, Iran, and Egypt, has caused diplomatic friction.

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