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India-Middle East-Europe Economic Corridor: A Strategic Energy Alternative

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The paper examines the strategic inception and the geopolitical significance of the India-Middle East-Europe Economic Corridor within the context of global energy infrastructure development. It posits this corridor as a pivotal countermeasure to the expansionist policy of China's Belt and Road Initiative (BRI). The study highlights how this corridor not only diversifies energy sources and routes but also reconfigures geopolitical alliances and economic dependencies in Asia and beyond.

I. Introduction

The global energy landscape is currently undergoing a profound transformation influenced by shifting geopolitical dynamics, technological advancements and a growing emphasis on sustainability. At the heart of this transformation is the development of international energy infrastructure projects, which have become pivotal battlegrounds for geopolitical influence and economic power. The India-Middle East-Europe Economic Corridor (IMEC) stands as a testament to this era of strategic competition embodying the complexities and ambitions of nations vying for energy security, economic development and regional dominance (Monroe, 2023).

The control and supply of energy resources have played central roles in shaping the geopolitical landscape. The interplay between energy abundant nations, which are using energy as a tool for diplomatic leverage, and energy deficit nations, which sought to diversify their sources and ensure security and stability in energy, has led to the establishment of alliances and infrastructure that transcends borders. The process of globalization and the push for economic integration have further amplified the strategic importance of energy infrastructure. In this context, the IMEC is not merely about constructing physical infrastructure, it is about laying the groundwork for a strategic realignment of global power dynamics in the 21st century (Khan, 2023).

At the G20 Summit in New Delhi on September 9, 2023, a significant agreement was signed involving India, the United States, Saudi Arabia, the European Union, the United Arab Emirates, France, Germany, and Italy. These countries committed to the development of the IMEC

through a Memorandum of Understanding (Bhaumik, 2023). This agreement outlines cooperation to build the IMEC, which includes an Eastern Corridor linking India with the Gulf and a Northern Corridor extending to Europe, integrating railway and ship-rail networks, road transport, and digital infrastructure. This project is aligned with the Partnership for Global Infrastructure Investment goals to bridge infrastructure deficits and advance the Sustainable Development Goals (Kumar, 2023).

The Belt and Road Initiative (BRI) is primarily aimed at expanding political influence and acquiring infrastructure dominance, whereas the IMEC adopts a more comprehensive approach that includes not just physical infrastructure but also the enhancement of energy and digital networks through submarine cables, alongside pipelines designated for the export of energy. As a countermeasure to the BRI, the IMEC not only aims to diversify energy supply routes and enhance regional integration but also serves as a geopolitical counterbalance, offering a vision of a more multipolar world where strategic autonomy and regional cooperation can flourish (Nijhar, 2023).

II. The IMEC and the Cooperative Framework

A pivotal aspect of IMEC's geopolitical strategy involves facilitating a rapprochement between Israel and Saudi Arabia, a move that gains added significance in the wake of China's diplomatic efforts in the region, notably between Iran and Saudi Arabia. The thawing of Saudi-Israeli relations, evidenced by incremental steps towards cooperation, underpins the corridor's broader ambitions. This includes leveraging infrastructure development to advance peace and economic diversification, particularly within

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Saudi Arabia's Vision 2030 framework, which seeks to reduce its oil dependency (AlArjani et al., 2021).

Amidst growing Chinese investments in the Middle East, exemplified by significant economic deals and potential shifts in the oil trade dynamics, the IMEC emerges as a strategic counterbalance. This initiative seeks to realign investment trajectories and economic partnerships, encouraging nations like Saudi Arabia and the United Arab Emirates to reconsider their investment engagements, aligning more closely with Western interests. The corridor's feasibility is highlighted by substantial infrastructure developments, such as the Etihad Rail project in the United Arab Emirates, part of a broader \$100 billion Gulf Cooperation Council rail program (Quamar et al., 2023). This initiative aims to enhance logistical connectivity across the region, supporting the corridor's operational and economic viability. The burgeoning trade relationships, particularly between India and the United Arab Emirates, which have seen significant growth, further cement the economic rationale for the corridor.

The IMEC corridor will enhance economic and strategic ties among participant countries, promoting global cooperation. India will see improved logistics and increased exports, facilitating deeper integration into global value chains with initiatives like One Sun, One World, One Grid. The European Union will reduce its reliance on the Suez Canal, cutting transportation costs and accelerating trade with India, while strengthening its geopolitical presence in the Gulf and diversifying away from China and Russia. Gulf Countries will gain from increased connectivity and innovative projects, leading to greater economic ties and regional stability. The United States will bolster its strategic influence in Asia and establish new trade routes to counter China's dominance, supporting a globally interconnected trade system. Israel will benefit from better trade routes, enhancing ties with Europe and the Gulf Countries and fostering regional security and cooperation through normalization with Arab nations (Suri et al., 2024). Overall, the IMEC corridor promises to boost economic interdependence and foster international collaboration.

III. Geopolitics and the Strategic Calculus behind the IMEC

The IMEC is emerging as a strategic framework, intricately woven into the fabric of global energy infrastructure development with profound geopolitical undertones. The integration of major ports into the IMEC framework includes Mundra and Kandla in India, alongside the Jawaharlal Nehru Port Trust in Navi Mumbai. In the Middle East, the ports of Fujairah, Jebel Ali, and Abu Dhabi in the United Arab Emirates, as well as Dammam and Ras Al Khair in Saudi Arabia, are designated participants (Gilani, 2024). The proposed railway line is slated to connect Fujairah port in the United Arab Emirates to Haifa port in Israel, traversing through Saudi Arabia (Ghuwaifat & Haradh) and Jordan with Haifa port serving as the gateway to the European segment extending through Piraeus port in Greece, Messina in South Italy and concluding in Marseille, France as shown in the [figure 1](#). The IMEC's overarching objective is to estab-

lish an all-encompassing transportation network, integrating rail, road, and maritime routes to facilitate seamless connectivity between participating members (Eissenstat et al., 2023). It seeks to enhance transportation efficiency, mitigate operational costs, foster economic cohesion, stimulate employment generation, and curtail greenhouse gas emissions. The corridor is poised to revolutionise the regional integration of Asia, Europe, and the Middle East, serving as a catalyst for bolstered trade and connectivity. Upon its fruition, the IMEC is envisioned to provide a reliable and cost-effective cross-border ship-to-rail transit network, supplementing existing maritime and road transport infrastructure.

By highlighting key energy infrastructure projects within this corridor, one can discern its role as a geopolitical instrument, particularly aimed at countering the expansionist policy of China. The IMEC's strategic conception is not just about enhancing energy security but also about positioning itself as a counterweight in the grand chessboard of global geopolitics (Subburayan, 2024). The energy infrastructure projects, such as pipelines, refineries and ports, are not merely economic assets; they are potent tools of geopolitical strategy. These projects wield the power to forge alliances, define geopolitical landscapes, and influence the strategic calculations of nations. By creating alternative routes for the transportation of oil and natural gas from the Middle East to Europe via India, the IMEC aims to reduce Europe's and India's dependency on vulnerable maritime chokepoints and routes currently dominated by Chinese influence. This diversification is crucial in an era where energy security is synonymous with national security. The corridor facilitates new or strengthened alliances between India, Middle Eastern nations, and European countries. Through cooperative infrastructure projects, these nations can solidify their relationships, creating a unified front that can serve as a bulwark against unilateral influence exerted by other major powers, notably China (Kumar, 2024). The promise of economic development through infrastructure investment is a powerful tool for garnering influence. By investing in the economic development of transit countries within the IMEC framework, India and its European partners can cultivate goodwill and leverage in regions traditionally under the sway of Chinese investments.

China's response to the IMEC has been cautious yet broadly welcoming of global infrastructure initiatives. It is adapting its BRI in response to criticisms and views global infrastructure projects like the IMEC as complementary rather than competitive. Chinese Foreign Ministry spokesperson Wang Wenbin emphasized the importance of cooperation over competition in global infrastructure initiatives, stating a welcome for initiatives that promote development while opposing their use for geopolitical manoeuvres (Resham, 2023). This approach indicates China's strategic endorsement of collaborative global infrastructure efforts while defending its own BRI projects against geopolitical exploitation.

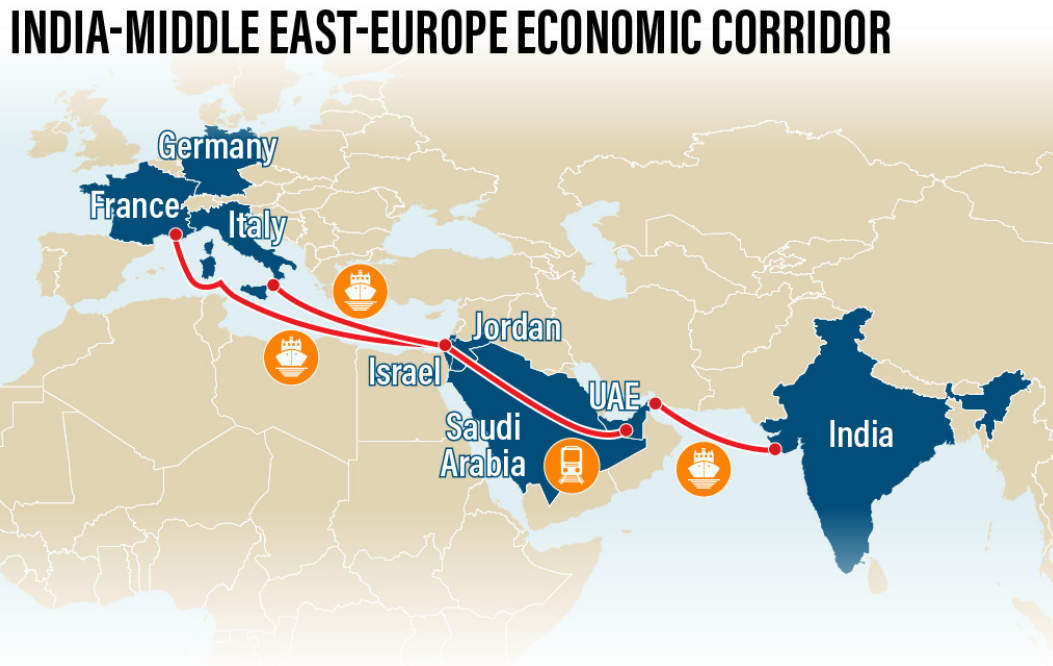


Figure 1. India-Middle East-Europe Economic Corridor

Source: <https://www.thenationalnews.com/opinion/comment/2023/09/20/the-corridor-plan-unveiled-at-g20-goes-much-beyond-trade/>

IV. Challenges for the IMEC and Global Consequence

The effectiveness of the IMEC in achieving its goals will largely depend on securing significant investments from crucial partners. As the initiative navigates through political uncertainties, it is anticipated that economic investments will increasingly materialize, bolstering the corridor's development and impact (Vasa & Barkanyi, 2023). Presently, the IMEC has been stalled due to ongoing conflict between Israel and Hamas. The spillover of Israel-Hamas war into the wider region is a reality check for the project. The recent Israel-Iran faceoff over the consulate bombing and the subsequent retaliation signifies this. According to Global Trade Research Initiative, the conflict could delay the IMEC and the potential peace between Israel and Saudi Arabia (Khraiche & Dagher, 2024). This has already begun to cast shadows on the economic and political links between Israel and the Middle East. The participating countries have failed to convene any formidable action plan. Within the Middle Eastern countries, there lies an ongoing concern regarding the IMEC, as it could bypass their strategic locations. The exclusion of some geographically prime countries like Iraq, Oman, and Turkey could have diversified the project and served as transit port. Egypt views the IMEC as a potential rival to its profitable Suez Canal, while Turkey sees a rail link through Basra and Iraq as not only feasible but also beneficial in reinforcing its role as a connector between Asia and Europe.

In the future, Central Asian countries traditionally influenced by Russia and increasingly connected to China through the Belt and Road Initiative could leverage the IMEC as a geopolitical counterbalance (Gaur, 2023). By par-

ticipating in the corridor, nations like Kazakhstan, Turkmenistan, and Azerbaijan could diversify their economic partnerships and reduce their reliance on China for trade and infrastructure development. This diversification allows for greater autonomy in their foreign policy and economic strategies, providing a buffer against potential overreach by any single power. However, the corridor's success hinges on various factors, including geopolitical cooperation, cost-effectiveness, and the integration of existing infrastructure like the International North-South Transport Corridor. As plans evolve, the strategic positioning of ports, including potential transshipment points and the alignment of rail networks across the participating nations will be crucial in distinguishing the IMEC from competing initiatives like the BRI, ensuring its place as a transformative project in the global energy and geopolitical landscape. It offers a plethora of potential economic benefits both regionally and internationally, especially by cutting the cost and increasing the speed of cargo shipment. However, to achieve such goals, potential political challenges to the project have to be addressed.

V. Conclusion

The IMEC represents a convergence of geopolitical ambition and economic pragmatism, encapsulating the ongoing competition for influence through energy infrastructure projects. By analysing the development and strategic implications of the IMEC, it is evident that in the contemporary geopolitical landscape of energy, infrastructure serves as both a conduit for resources and a tool for diplomacy. Despite challenges, this corridor highlights the intricate relationship between energy and geopolitics, stressing on

how nations leverage infrastructure development to bolster their strategic positions on the global stage.

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