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**News:** India–Middle East–Europe Economic Corridor (IMEC)

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## **India–Middle East–Europe Economic Corridor (IMEC)**

- India–Middle East–Europe Economic Corridor (IMEC) is a **strategic multi–modal connectivity initiative launched through a MoU at the G20 Summit 2023, New Delhi.**
- It has **two corridor segments Eastern Corridor (connects India to the Gulf region) and Northern Corridor (connects the Gulf region to Europe).**
- IMEC signatories include **India, US, Saudi Arabia, UAE, France, Germany, Italy, and the EU.** It is **part of the G7’s Partnership for Global Infrastructure and Investment (PGII, 2021).**
- The **IMEC emerged in 2023 amid favourable geopolitics, supported by the Abraham Accords and improving India–UAE, Saudi Arabia, and US ties.** It aims to link Israel’s Haifa port with Jordanian railways and Gulf ports.

- **Purpose:** IMEC aims to develop an integrated network of ports, railways, roads, sea lines, energy pipelines, and digital infrastructure (undersea digital cables) to enhance trade and economic cooperation between India, the Middle East, and Europe.
- IMEC is designed as a transparent, sustainable, and debt-free alternative to China's Belt and Road Initiative (BRI), ensuring infrastructure development without compromising national sovereignty.
- **Economic & Strategic Benefits for India:** IMEC reduces logistics costs by ~30% and transport time by ~40% versus the Suez Canal route, boosting export competitiveness.
- For India, IMEC is a strategic opportunity to diversify trade routes, reducing reliance on chokepoints like the Suez Canal. The corridor enhances access to European markets via the Mediterranean, providing an alternative to China's BRI.
- With the EU as one of India's largest trading partners (USD 136 billion in 2024-25), stronger connectivity could boost export competitiveness.
- IMEC also aligns with India's Act West policy, deepening engagement with the Middle East for energy security, remittances, and diaspora links, while countering Pakistan's regional strategic influence.

- It aligns with India's One Sun One World One Grid (OSOWOG) initiative to harness solar and green hydrogen energy from the Middle East and supports India's transition to a low-carbon economy.

### **Key Challenges to the India–Middle East–Europe Economic Corridor (IMEC)**

- **Geopolitical Instability in West Asia:** The Hamas attack in October 2025 and subsequent Israeli military actions have worsened regional security, especially between Israel and Arab states, threatening the core IMEC route.
- Deterioration in Israel's ties with countries like Saudi Arabia and Jordan could stall railway and energy infrastructure projects planned through their territories.
- West Asia's volatile political climate makes long-term infrastructure investments risky and uncertain.
- **Shifting Trade Dynamics Due to Climate Change:** Arctic sea routes, now more accessible due to climate change, offer shorter, cost-effective shipping routes between Asia and Europe, reducing IMEC's competitive edge.
- Countries like the US, Russia, China, and northern Europe stand to benefit more from Arctic connectivity than IMEC signatories.
- Mediterranean countries like Italy and France view IMEC as a counterweight to potential economic marginalization due to Arctic routes.

- **Red Sea Disruptions and Maritime Insecurity:** Frequent attacks by Houthi rebels in the Red Sea have disrupted shipping, leading to detours via the Cape of Good Hope, increasing transport time and cost.
- IMEC, depending on maritime segments near conflict zones, faces exposure to similar disruptions.
- **Exclusion of Regional Actors and Strategic Competition:** Countries like Turkey, Egypt, or Iran are not part of IMEC, despite their strategic geography, potentially creating rival or parallel corridors.
- Pakistan's growing ties with Arab states, especially Saudi Arabia, could be leveraged to counter IMEC and undermine India's influence in the region.
- **Implementation and Investment Challenges:** Building high-speed rail, energy pipelines, and digital infrastructure across multiple sovereign territories requires enormous financial and technical resources.
- IMEC aims to mobilize USD 600 billion by 2027, but lacks a definitive funding roadmap and cost-sharing plan among stakeholders.
- Large-scale infrastructure requires long-term investments (USD 3–8 billion per project), which remains uncertain amid global economic slowdown.
- **Uncertain Peace Prospects in the Gaza Conflict:** Even as peace initiatives are proposed, there is no guarantee of long-term stability in Gaza or the broader Israel–Palestine region.

- Any future flare-ups could derail ongoing or planned segments of the corridor, especially in Israel and Jordan.

