



The Promises that IMEC Offers

This editorial is based on “[IMEC promises a new model of globalisation](#)” which was published in Hindustan Times on 18/09/2023. It talks about the significance of the IMEC project for India, how it offers an alternative to BRI and what role can India play in its success.

For Prelims: [India-Middle East-Europe Corridor \(IMEC\)](#), [G20](#), [Belt and Road Initiative \(BRI\)](#), [Gulf Cooperation Council \(GCC\)](#), [Suez Canal](#), [International North-South Transport Corridor \(INSTC\)](#), [India-Israel-UAE-US \(I2U2\) grouping](#)

For Mains: IMEC and [globalisation](#), Significance of IMEC for India, IMEC vs BRI, India's role in making IMEC a success.

Launching an alternative model for **inter-continental infrastructure creation** through the proposed [India-Middle East-Europe Corridor \(IMEC\)](#) is one of the many major takeaways of the [2023 summit of G20](#) held in New Delhi.

It would not be wrong to regard **IMEC as the boldest geo-economic initiative** the world has seen since **China unveiled its [Belt and Road Initiative \(BRI\)](#)** in 2013.

In scale, scope and impact, IMEC promises to be a game-changer as it **brings together highly capable partner countries to pool resources** and remake supply chains, production networks and zones of influence to **make [globalisation](#) less China-centric**.

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

▪ About:

- The India-Middle East-Europe Economic Corridor (IMEC) Project was signed at the G20 Summit in New Delhi and holds significant geopolitical and economic implications for India.
- Its 8 signatories are: **India, the US, Saudi Arabia, UAE, the EU, Italy, France, and Germany.**

▪ Components:

- It will consist of **Railroad, Ship-to-Rail networks and Road transport routes** extending across two corridors - **East (connecting India to Arabian Gulf) and North (connecting the Gulf to Europe).**
- Apart from rail and shipping options, IMEC would also **offer electricity and energy (gas and hydrogen) pipeline connectivity** options.

Corridor trajectory

The map shows the multiple routes being considered for the India-Middle East-EU Corridor. Indian ports on the west coast of India could be connected to five shortlisted ports in West Asia



What is the Significance of IMEC for India?

- **Overall Economic Growth:** For India, IMEC presents a means for **faster trade, transport and infrastructural growth** and for building a regional architecture with strategically aligned nations.
 - India's exports of engineering goods, [green hydrogen and green ammonia](#) could emerge as key gainers under IMEC.
- **Strengthen Trade with EU:** Through its multimodal design of linking distant ports, connecting several countries via ship, undersea cables, rail and road, **IMEC can cut the time for economic exchanges between India and Europe by 40%**.
 - Since the **EU is India's 2nd largest trading partner**, this agreement can boost India's trade with the EU.
 - If [India's free trade agreements with the Gulf Cooperation Council \(GCC\)](#) and the EU come through, IMEC will be a **massive institutional catalyst for the economic fortunes** of all three of these partners.
- **Increase Influence in Middle-East:** For India, the project holds economic promise through its large [diaspora in the Middle-East](#), contributing to energy security and serving as a market for Indian goods.
 - It positions India strategically, fostering influence over the Indian Ocean and **expanding reach into Mediterranean, Atlantic regions**.
- **Reduced Trade Time:** This project would confer various strategic and economic advantages in terms of **reduced transit time between India, the Middle East, and Europe**, and most importantly, it would help India bypass the troubled trade routes of Pakistan and Afghanistan and **revive the age-old spice route**.
 - At present, the **only route** through which goods are transported to Europe is the [Suez Canal](#).
- **Reducing BRI's Influence:** Another Keypoint is that China, who often tends to take centre stage, set the rules and standards and dominate economic flows wherever it is present, be it the BRI or the [RCEP](#), **has been excluded from IMEC**.
 - Though some IMEC members remain part of BRI, **IMEC's success can reduce BRI's ever-expanding influence**.

How is IMEC different from China's BRI?

- The **IMEC is envisaged to respect the sovereignty of nations**; unlike the BRI which is centrally designed, the IMEC is based on consultations with all concerned.
- The BRI is designed to serve China's interests, while the **IMEC is for the common benefit of all in the region**.

- While the BRI aims at generating employment only for the Chinese companies, the **IMEC is to focus on generating employment for the local population.**
- While the BRI grants loans at exorbitant rates, the **IMEC proposes to follow the best international debt practices** thus offering a **better alternative to [China's debt trap diplomacy](#).**

What can be the Challenges in the Success of IMEC?

- **Implementation Challenges:**
 - The first and foremost challenge is to create a firm plan to establish the corridor. An ambitious project of this scale can face **challenges in having sufficient investments and speedy creation of infrastructure.**
- **Challenges in Coordination:**
 - **Laying a network of railway lines, roads and port connectivity** across countries requires a high-level of coordination and planning.
- **Countries' Own Geopolitical Challenges:**
 - The corridor also passes through **Jordan and Israel**, which are now for a long time going through geopolitical challenges and would **require a fine balance of economic and diplomatic manoeuvring.**
- **Rivalry with BRI:**
 - The IMEC is undoubtedly being seen as a counter to the Chinese BRI. **Competition between the two is inevitable** as both the initiatives have similar objectives.

What Measures Can be Taken to Strengthen the IMEC Project?

- **Leveraging Diplomatic Ties with US:**
 - Geographically, the **US is beyond the ambit of the IMEC's** area of operation. But diplomatically, it is a crucial driver of IMEC by **knitting together a range of its formal allies** and strategic partners across Europe, Middle East and South Asia.
 - In the present context, steering of IMEC by the US is valuable because that is how transit countries like Jordan and Israel can be integrated with the rest.
 - The **[India-Israel-UAE-US \(I2U2\) grouping](#)** and the US's strategic goal of getting Saudi Arabia to formally recognise Israel are also, in some way, tied to the IMEC idea.
- **Expanding Global Outreach:**
 - Like its success in bringing Russia and the US to a consensus at G20, India may also **help IMEC connect with the [International North-South Transport Corridor \(INSTC\)](#).**
 - It would help facilitate trade in the vast region between the **[Caspian sea](#) and the [Mediterranean sea](#).**
 - Most critically, IMEC can also open **new connectivity options to debt-ridden Africa** without much extra cost and ensure better utilisation of assets already built.
- **Land-Bridging Requirements:**
 - Mega infra projects for augmenting capacities are at various stages of development.
 - The focus needs to be on the land bridging requirements; **constructing the missing rail links, terminals, and inland container depots (ICDs)** at all major Gulf and Mediterranean ports is crucial.
 - No mega transport corridor can be viable by depending only on the end-to-end traffic.
 - Therefore, **IMEC must consider connecting hinterlands** by developing the **feeder rail routes which could merge on the main corridor.** This will have a multiplier effect on all stakeholders.
- **India's Role:**
 - It is a **historic moment for India as a regional leader** that can bring up an entire regional economy through the combination of its technical leadership and outward-looking approach.
 - India should **advocate for a mix of public and private financing** as some projects may not be financially viable without public subsidies or grants. India can **support the rail projects of GCC, Jordan, and Israel through its PSUs.**

- India should also consider a proposal of **laying a dedicated gas pipeline from the Middle-East to India** to support the needs of its household consumption.
- Besides all this, India must continue to **remain neutral but vigilant** in evolving geopolitics keeping its national interests and remain committed and **engaged with other transport and energy corridors**; INSTC, [Suez Canal](#), [Arctic Route via Vladivostok](#).

Conclusion

The beauty of IMEC is that it **contains something attractive in it for all eight parties** that have signed the founding MoU. Undoubtedly, a multilateral cross-border and cross-oceanic connectivity endeavour requires diplomatic coordination and consensus management.

Compared to China's unilateral BRI, the IMEC may be slower as it is a relatively large-group but the fact that India and its strategic partners are now present as a force on the geo-economic map through IMEC is a **positive start**.

Drishti Mains Question:

“The India-Middle East-Europe Corridor (IMEC) has incredible potential to integrate India, West Asia, and Europe on a collective path to growth at an unprecedented scale.” Discuss.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims:

Q. 'Belt and Road Initiative' is sometimes mentioned in the news in the context of the affairs of (2016)

- (a) African Union
- (b) Brazil
- (c) European Union
- (d) China

Ans: (d)