

The India-Middle-East-Europe Corridor: A Pipe Dream or a Strategic Game-Changer?

Dr. Muhammad Arif, Engr Ahmad Hassan

R&D Department, the Faisalabad Chamber of Commerce and Industry, Faisalabad.

Introduction

The recent memorandum of understanding (MoU) signed by the European Union, India, Saudi Arabia, the UAE, the United States, and other G20 partners regarding the transport link, dubbed the India-Middle-East-Europe Corridor or IMEC, has generated significant excitement and speculation. IMEC aims to establish railway lines and shipping routes connecting Mumbai to Europe via the Middle East, effectively bypassing Turkey. The corridor has ignited discussions about its potential impact on the region's geopolitics and the feasibility of its economic objectives. While this ambitious project appears to hold strategic geopolitical significance, it raises serious questions about its economic viability. In this article, we will examine the economic feasibility of IMEC, its potential motivations, and the wider geopolitical implications for the region.

The Economic Viability Challenge

IMEC's primary goal is to streamline trade and transportation between India and Europe by reducing shipping times. Proponents argue that this could potentially revolutionize trade in the region. However, a closer look at the logistics reveals a challenging reality. The current shipping time from Mumbai to Dubai is 10 days, and while the rail network from Dubai to Haifa may take 3 days, the subsequent leg from Haifa to Piraeus is estimated at another 3 days. With average loading and unloading times at each port adding 3-4 days, the total transit time could be 19-20 days. In comparison, the existing sea route through the Suez Canal takes 21 days. The higher cost of rail and road transport, in addition to longer transit times compared to sea routes, could pose a substantial economic barrier to IMEC's success. This minimal reduction in transit time may not be sufficient to entice businesses to switch from the more cost-effective sea route.

Infrastructure Hurdles

IMEC also faces significant infrastructure challenges. Furthermore, the absence of a rail line connecting Riyadh to the UAE and the lack of a container rail yard in the UAE add significant logistical challenges. These infrastructure gaps would require substantial investment and time to bridge, further questioning the project's economic viability. Shipping by sea is generally

more cost-effective than rail or road transport. Given that shipping costs are a primary factor in global trade, IMEC's potential economic competitiveness is questionable.

A Diplomatic Countermeasure

Given these challenges, one might question whether IMEC is primarily a diplomatic maneuver rather than an economically sound project. It appears that IMEC is being positioned as a countermeasure to China's Belt and Road Initiative (BRI), particularly its flagship project called China-Pakistan Economic Corridor (CPEC), which was launched over a decade ago. The Western powers may see IMEC as a way to establish a presence in South Asia and counterbalance Chinese interests in the region. IMEC seems designed to offer an alternative to China's maritime routes and, by extension, counterbalance its growing influence in South Asia and beyond.

The Geopolitical Chessboard

Given the economic hurdles, IMEC's primary motivation appears to be geopolitical rather than strictly economic. The geopolitical implications of IMEC are profound. It signals a growing alliance between the United States, the European Union, and India, which may serve as a check on China's strategic advances in the region. With The Quad, officially the Quadrilateral Security Dialogue, already established, IMEC project can be seen as a coordinated effort to contain China's expanding strategic footprint in the broader Indo-Pacific region. Therefore, implications of IMEC extend beyond economics. It marks the early stages of what could be termed a new Cold War between the West and China, characterized by competition for influence and control in key global regions. IMEC is a tangible manifestation of this growing rivalry. If IMEC proceeds as planned, it is possible that India could be drawn into a proxy conflict with China in the South China Sea and Indian Ocean.

What has not been made public but can be inferred from the geopolitical context is the possible involvement of the Indian Navy in the Indo-Pacific region including the South China Sea. The Indian Navy could serve as a frontline proxy for Western powers in their efforts to establish hegemony in Southeast Asia and Africa. This raises significant questions about India's willingness to potentially jeopardize its long-term business interests by engaging in a proxy conflict with China.

Implications of Excluding Turkey

Excluding Turkey from the IMEC would have a number of implications, both economic and political. It could damage relations between Turkey and the other countries involved in the project. Turkey is a NATO member and a key ally of the United States. Excluding Turkey from the IMEC could be seen as a snub by the United States and other Western countries. This could make it more difficult for Turkey to cooperate with these countries on other issues, such as

counterterrorism and security. Exclusion of Turkey could strengthen China's position in the region. China is a major investor in Turkey and has close ties to the Turkish government. This could make it more difficult for the United States and other Western countries to counter China's influence in the region. It will also soar the ties between Saudi Arabia, UAE and Tukey.

Conclusion

While the India-Middle-East-Europe Corridor (IMEC) holds significant geopolitical implications, its economic viability remains a substantial question mark. The project faces considerable logistical and financial challenges, which could hinder its success as a competitive alternative to existing sea routes. While it aims to offer a shorter trade route between India and Europe through the Middle East, the modest reduction in shipping time may not justify the significant infrastructure investments required. Moreover, the broader geopolitical context suggests that IMEC may be a strategic gambit in the larger chess game between Western powers and China. IMEC more likely appears to be a strategic move by the Western powers and India to counter China's Belt and Road Initiative, initiating a new Cold War in the process. The decision for India to participate in this endeavor carries significant risks, potentially jeopardizing its long-term economic interests in favor of a geopolitical showdown. The implications of excluding Turkey from the IMEC make it less competitive, damage relations between Turkey and the other countries involved in the project, and strengthen China's position in the region. As the corridor moves from the drawing board to reality, the world will be watching closely to see how this geopolitical chess game unfolds. In the end, the success or failure of IMEC will depend not only on its economic feasibility but also on the geopolitical dynamics of the region.