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THE INDIA-MIDDLE EAST-EUROPE CORRIDOR : WHICH CONNECTIONS ?

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Meeting between Emmanuel Macron and Narendra Modi in Marseille, February 12, 2025 [2]

Abstract

At the 2023 G20 summit in New Delhi, European and Indian leaders met and endorsed a crazy ambition: the India-Middle East-Europe Corridor (IMEC). An “agreement” was indeed reached between the main parties concerned at the G20, but what are the realities of this project, which seems pharaonic, even unachievable? Given its complexity, not only in terms of logistics but also in terms of the political and economic situations of the participating countries, it is necessary to examine all the players, issues, and problems surrounding this project.

If China becomes sprawling in the Indo-Pacific, it is in the interests of the United States and Europe to increase their economic and political relations with India. In addition, this corridor could bring historically hostile countries closer together and create unique opportunities for rapprochement between the Indo-Pacific and Europe.

However, we might also be tempted to question the real willingness of the leaders of certain Middle Eastern countries to see the project through, and even that of the United States since the election of Donald Trump. Would it be beneficial to them? Given the support of China and Russia, some countries that are key to the project's success may be reluctant to embrace the idea of this corridor. What's more, geopolitical and geoeconomic conflicts, as well as a lack of political will, could undermine the IMEC's implementation.

Thus, the India-Middle East-Europe (IMEC) corridor aims to redraw the Eurasian trade routes, in direct competition with China's New Silk Roads. Sponsored by a coalition of states (EU, India, United States, Gulf countries), this pharaonic project raises as much economic hope as geopolitical challenges. To what extent can the IMEC become a credible alternative to the BRI, despite regional tensions, financial uncertainties, and Sino-American rivalry?

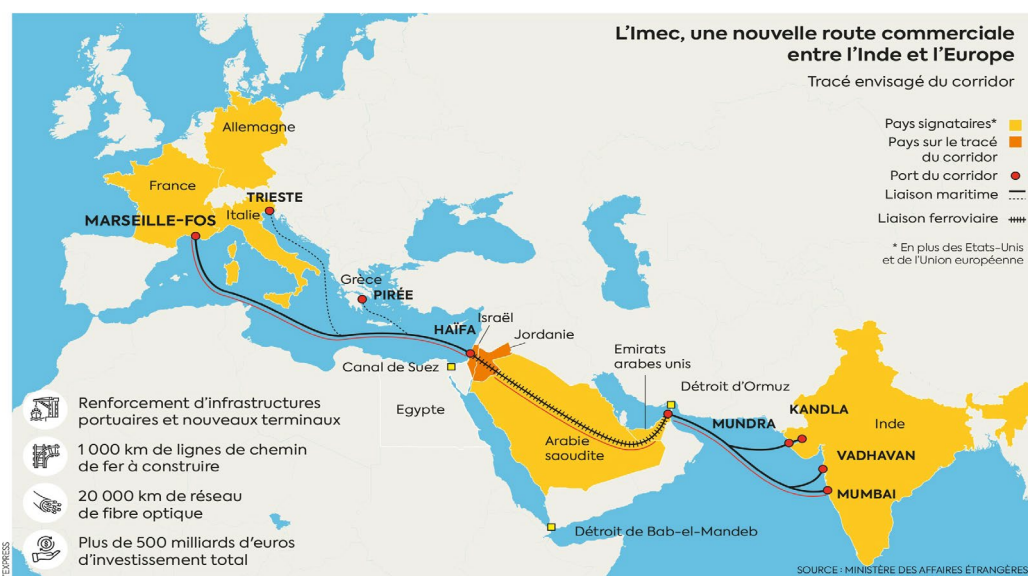
A new supply route that could redraw the map of global trade

"The new spice route"

Given the success of the “new silk roads” since the term first appeared in 2014, but also the difficulties encountered during the Covid-19 pandemic, the corridor appears to be a unique solution for Europe, an opportunity for India to broaden its horizons, and for certain Middle Eastern countries to become a hub for global trade.

The India-Middle East-Europe (IMEC) corridor is a project for sea-rail links, accompanied by electrical and digital cables and a hydrogen sector, signed in a memorandum at the 2023 G20 by the EU, India, the United States, Saudi Arabia, the UAE, Jordan, Israel, France, Germany, and Italy. It aims to offer a multimodal alternative to Asia-Europe flows, capable of partially competing with the route via Suez in terms of costs, capacity, and geopolitical risk, with Suez accounting for around 12% of world trade and ~30% of containerized traffic in a normal year. [2]

India is seeking both to challenge its protectionist image and to secure its long-term supplies, while Middle Eastern countries are seeking to play a more important role in the transit of Asian and European products.



The IMEC, l'Express (2025) [10]

Finally, the European Union is seeking other trade routes to diversify its supplies of energy, agricultural products, pharmaceuticals, and more. In a move initiated by the United States to counter the Silk Roads, the EU sees India as an ideal economic partner to rethink its geoeconomic approach to the Indo-Pacific and the Middle East. In a unified strategic approach to the project by key European countries, Giorgia Meloni announced that they want to prioritize investments related to the IMEC over the Chinese Silk Roads.

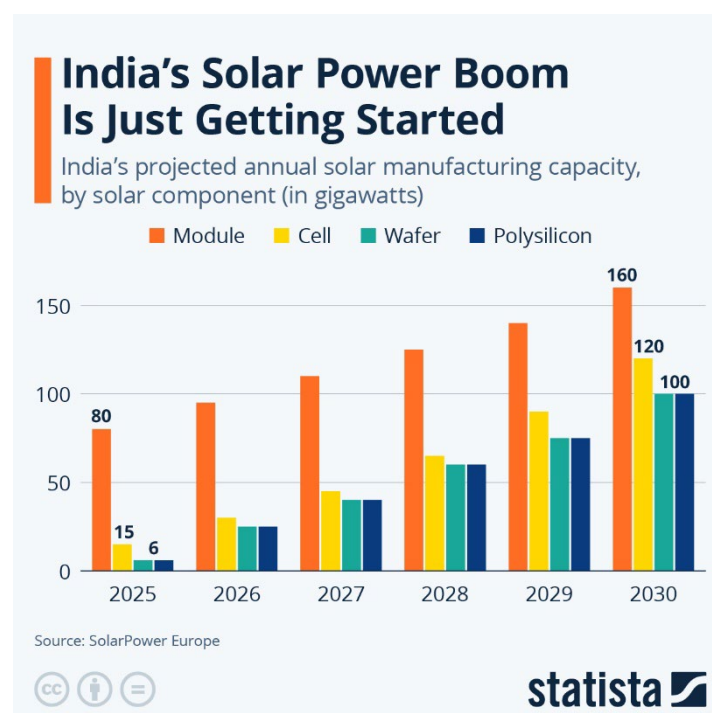
Hence the IMEC involvement in both the "Global Gateway," a European project that aims to mobilize more than 300 billion euros between 2021 and 2027 in sustainable investments around the world, but also in an Indian desire to shine on the Old Continent.

What trade ?

Firstly, a burning issue for Europe remains **its energy supply**. Since the start of the war in Ukraine in 2022, energy costs have been one of the biggest challenges facing European countries, which previously depended on Russian gas for 30% of their energy supply.

The Old Continent is looking to source clean hydrogen. Europe seems keen on the opportunities offered by this corridor, particularly for solar energy, where India excels. It would compete directly with the world's largest producer by far: China (nearly 72% of solar energy produced), and Europe would be an ideal customer for developing this potential.

In addition to green hydrogen and solar energy, the IMEC corridor aims to facilitate trade in manufactured goods (Indian textiles and pharmaceuticals), critical minerals (such as lithium for batteries), and agricultural commodities (spices and rice). Europe is seeking to reduce its dependence on Chinese supply chains, particularly in strategic sectors such as semiconductors, where India aims to become a key player through its "India Semiconductor Mission" initiative.



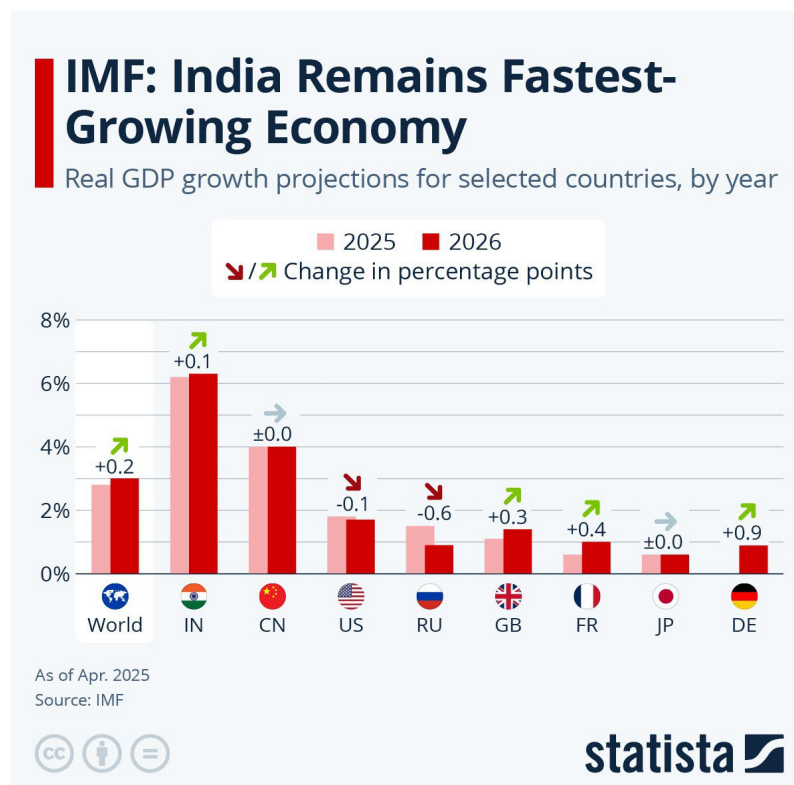
Projections for India's solar potential by 2030 (Statista, 2025) [22]

The United Arab Emirates and Saudi Arabia, already logistics hubs, could benefit by diversifying their economies. For example, the UAE is investing heavily in smart ports (such as Jebel Ali) and free trade zones to attract re-exports to Europe. **According to IRIS, the corridor could capture 15-20% of Asia-Europe trade, bypassing the bottlenecks of the Strait of Malacca and the Suez Canal.**

India's Opportunities

India remains one of the fastest-growing major economies. For the 2023-2024 fiscal year, GDP increased by 8.2%, supported by robust domestic demand and significant public investments. The government is predicting 6.5% growth for the 2024-2025 fiscal year, despite uncertainties related to global trade tensions and U.S. tariff policies that could reduce GDP by 0.2 to 0.5 percentage points.

On a plan sectoriel, l'industrie indienne devrait croître de 6,2 % en 2025, portée par la construction et les services publics, tandis que l'agriculture devrait rebondir à 3,8 % grâce à des conditions climatiques favorables. The manufacturing sector, particularly pharmaceuticals, textiles, and electronic components, benefits from initiatives such as "Make in India" and "India Semiconductor Mission".



India's growth compared to the rest of the world, Statista (2025) [8]

The IMEC offers an ideal platform for expanding India's economic influence and facilitates access to European and Middle Eastern markets. This initiative is part of the "Make in India" strategy, which aims to transform India into a global manufacturing hub. After developing its "National Infrastructure Pipeline Project," India could benefit from the development of national trade routes to export key products (pharmaceuticals, steel, automotive components...).

By facilitating Indian exports to Europe and the Middle East, the corridor could stimulate industrial growth and attract more foreign investment. Furthermore, this corridor is the opposite of the new silk roads, avoiding the debt trap for the countries involved. Could India thus become an ideal ally for economic actors in the Middle East and Europe seeking economic partners?

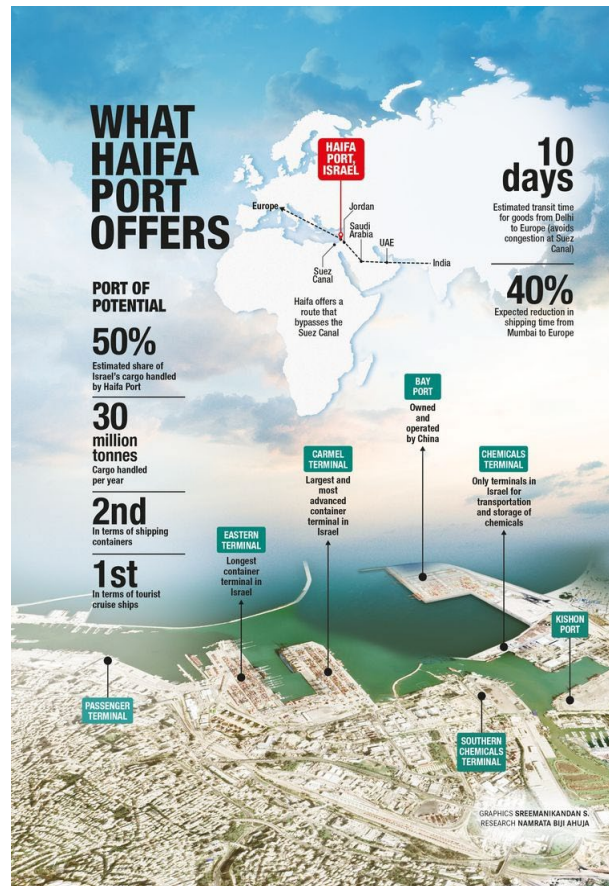
Benefits for Middle Eastern powers

The Middle Eastern countries, particularly Saudi Arabia and the United Arab Emirates, could strengthen their position as hubs for international trade.

From the port of Bombay or Nhava Sheva (Jawaharlal Nehru port in the state of Maharashtra) to the port of Jebel Ali in Dubai, then by train from Saudi Arabia to the port of Haifa or Jordan to European ports (Piraeus, Genoa...), notably Marseille where Narendra Modi met Macron on February 12, 2025. This corridor represents an alternative to trade passing through the Red Sea and the Suez Canal, much to the chagrin of Egypt and Turkey, which have expressed their disappointment at not being part of the grand project.

By developing modern logistics infrastructure, these nations aim to diversify their economies, which have traditionally been dependent on hydrocarbons, and become key hubs for global trade. Countries in the Middle East, particularly Saudi Arabia and the United Arab Emirates, could take advantage of the corridor to diversify their economies beyond hydrocarbons. By becoming logistical hubs between Asia and Europe, these nations could attract investments in port infrastructure, free trade zones, and transportation technologies. This is in line with national economic diversification strategies, such as Saudi Arabia's Vision 2030.

Israel plays a pivotal role in the IMEC due to its cutting-edge infrastructure, notably the port of Haifa – 70% owned by the Indian group Adani [25] – which serves as a key hub for trade between India and Europe.



Haifa's Port Opportunities, The Week (2023) [19]

A Haifa-Jordan rail link (\$2.5 billion) is being considered to reduce transit times by 40%, while Israeli maritime surveillance technologies (drones, cyber defense) secure routes against pirate or Houthi threats (SAGE Journals, 2024). However, this role depends on regional stability, which has been undermined by the Israeli-Palestinian conflict, which has already delayed critical work.

A project beset by internal tensions and external influences

The various internal and external conflicts within the project actually represent the greatest challenge to be resolved for India, the Middle East, and Europe. For if a will is clearly drawn by a certain complementarity of the various needs of the participating countries, inherent problems in the project even weaken its existence. No more than 1 month after the 2023 G20 summit, the October 7 attack erupts, leading to increasing instability in the region and a reevaluation by several Arab countries of their willingness to deal with Israel. For instance, Jordan has expressed reservations about the project due to its majority Palestinian population and the political implications of increased collaboration with Israel.



Protests in Jordan: Hamas-Israel war, Le Monde (2024) [20]

In addition to the regional peace issue, there is the issue of diplomatic relations between Middle Eastern powers. It is in the interest of India, Europe, and the United States to perpetuate the Abraham Accords, signed in September 2020. If the normalization of relations between the United Arab Emirates and Israel, as well as political stability, opened a window of opportunity for better economic stability, it seems that this window is now quite narrow.

Foreign Influences

The influence of outside powers, such as China and Russia, could complicate the realization of the IMEC. These nations have their own infrastructure initiatives and may see the corridor as a threat to their strategic interests in the region. This is also one of the main reasons the United States pushed for such a project, with the aim of countering the Chinese Silk Roads.

China views the IMEC as a threat to its logistical hegemony. Through the BRI, it has already invested 40% of its funds in the Middle East, with preferential loans for ports like Haifa or Gwadar, where COSCO already has shares. Beijing uses preferential loans to retain its partners (e.g., Iran, Egypt), undermining the cohesion of the IMEC. An analysis by the Center for Strategic and International Studies (CSIS, 2024). It reveals that 60% of the region's critical port infrastructure is under Chinese influence [18].

Furthermore, the Al-Aqsa flood that started another Israeli-Palestinian crisis was in the interests of China, Russia, and Egypt, which saw an opportunity for the world to see the danger of installing permanent and secure maritime infrastructure in the region that could compete with the Suez Canal.

The United States, the original promoter of the IMEC, is struggling to align its allies. Their unconditional support for Israel after October 7 has weakened the Abraham Accords, which are essential for the stability of the corridor. The UAE, for example, froze their participation in the 2024 railway discussions under pressure from pro-Palestinian public opinion. In addition, Trump's election significantly slows down the efforts made under Biden to rally the troops. If Narendra Modi met with Trump on February 13, 2025, at the White House, no significant progress was noted during this meeting regarding the IMEC, both strategically and financially.

Finally, Israel's position in the IMEC is weakened by Sino-American rivalries: if the United States supports the corridor to counter China, the latter holds shares in the port of Haifa via COSCO and finances competing projects in Iran (Chabahar). India, torn between its alliances, is adopting a "two-speed diplomacy": cooperating with Israel for IMEC while maintaining its partnership with Iran via INSTC (SAGE Journals, 2024). This duality risks limiting the corridor's effectiveness against the BRI's more coordinated initiatives.

Sidelined Powers

Turkey and Egypt, excluded from the project, could become "spoiler" countries. Ankara promotes its own corridor via Iraq (the "Development Road" project) and controls the Bosphorus, while Cairo fears for the revenues of the Suez Canal (6 billion \$/year). A study by the Institut Montaigne (2024) highlights that these countries could undermine the IMEC by offering preferential rates to users of the canal.

The exclusion of Turkey and Iraq from the IMEC has prompted both countries to develop their own alternative corridor, the "Development Road" (Iraq Development Road: IRD). This \$17 billion project aims to connect the Iraqi port of Al-Faw to Turkey via a rail and road network, with the ambition of capturing a portion of the Asia-Europe trade. Backed by Turkish and Qatari investments, it directly competes with IMEC by offering reduced customs tariffs and access to the European market via the Balkans (Bourse Bazaar, 2024) [18]. However, its success depends on the stabilization of Iraq, which is plagued by internal tensions and Iranian influence. This initiative illustrates the risks of fragmentation of regional infrastructure projects, where each actor tries to take advantage of its geographical position at the expense of integrated cooperation.

Security Issues

As for the security aspect of such a project, IMEC is crossing areas of high turbulence: piracy in the Indian Ocean, tensions in the Red Sea, instability in the Middle East. Securing these communication channels will be a major challenge for the participating countries. The Houthi attacks in 2024 disrupted 30% of global maritime traffic (Reuters, 2025). The increase in U.S. airstrikes in Yemen in the conflict against the Houthis undermines the credibility of the Suez Canal as a secure route for global trade. A joint naval force, discussed by the EU and India, may be necessary, but it is hindered by political sensitivities, including Saudi Arabia's refusal to cooperate with Israel during a crisis.

Furthermore, the security of the IMEC relies on Israeli military capabilities, particularly in the fight against attacks in the Red Sea. However, open cooperation with Israel exposes partner Arab countries (such as the United Arab Emirates) to internal criticism, as seen in the pro-Palestinian protests of 2024. Furthermore, Israeli strikes in Lebanon and Syria against Iranian-backed groups could divert trade flows to less risky routes, such as the INSTC (SAGE Journals, 2024).

What are the current political, financial, commercial and strategic realities of this project ?

Financial and political aspects

Currently, France has appointed Gérard Mestrallet as its official representative in this project. But no timetable or budget has been set yet. Only a memorandum of understanding was established at the 2023 G20 summit.

If the corridor relies primarily on a set of existing infrastructure, whether port, rail, or maritime, the project requires significant investments to develop the necessary infrastructure. The financing modalities, whether public-private partnerships, foreign direct investments, or multilateral financing, remain to be specified. The economic viability of the corridor will depend on its ability to attract sufficient trade volumes to justify these investments.

The estimated cost of the IMEC exceeds \$20 billion, according to the ECFR. The funding relies on several key investors:

- **European funds** (Global Gateway, European Investment Bank).
- **Sovereign investments** (MBS has pledged \$5 billion via the Saudi Public Investment Fund).
- **Private** (like Adani Ports in India, already a shareholder in Haifa) [25].

The United States, via the Development Finance Corporation (DFC), has allocated \$2 billion in 2024 to secure key ports of the IMEC (Haifa, Duqm). This initiative responds to the \$50 billion invested by China in Gulf ports (CSIS, 2024) [18]. Washington fears that Beijing will use its BRI infrastructure to monitor or disrupt IMEC traffic, as in Gwadar, Pakistan, where the Chinese Navy obtained berthing rights in 2023.

However, the absence of a common guaranteed mechanism, unlike the BRI, discourages investors. France, via Gérard Mestrallet (official representative of France in the context of the IMEC), advocates for a "multi-actor" model that includes the EBRD (European Bank for Reconstruction and Development), but disagreements over technical standards (rail gauge, port standards, etc.) are slowing down commitments. The World Bank warns of the risks of overcharging and delays, as seen in 70% of transnational megaprojects (World Bank, 2024).

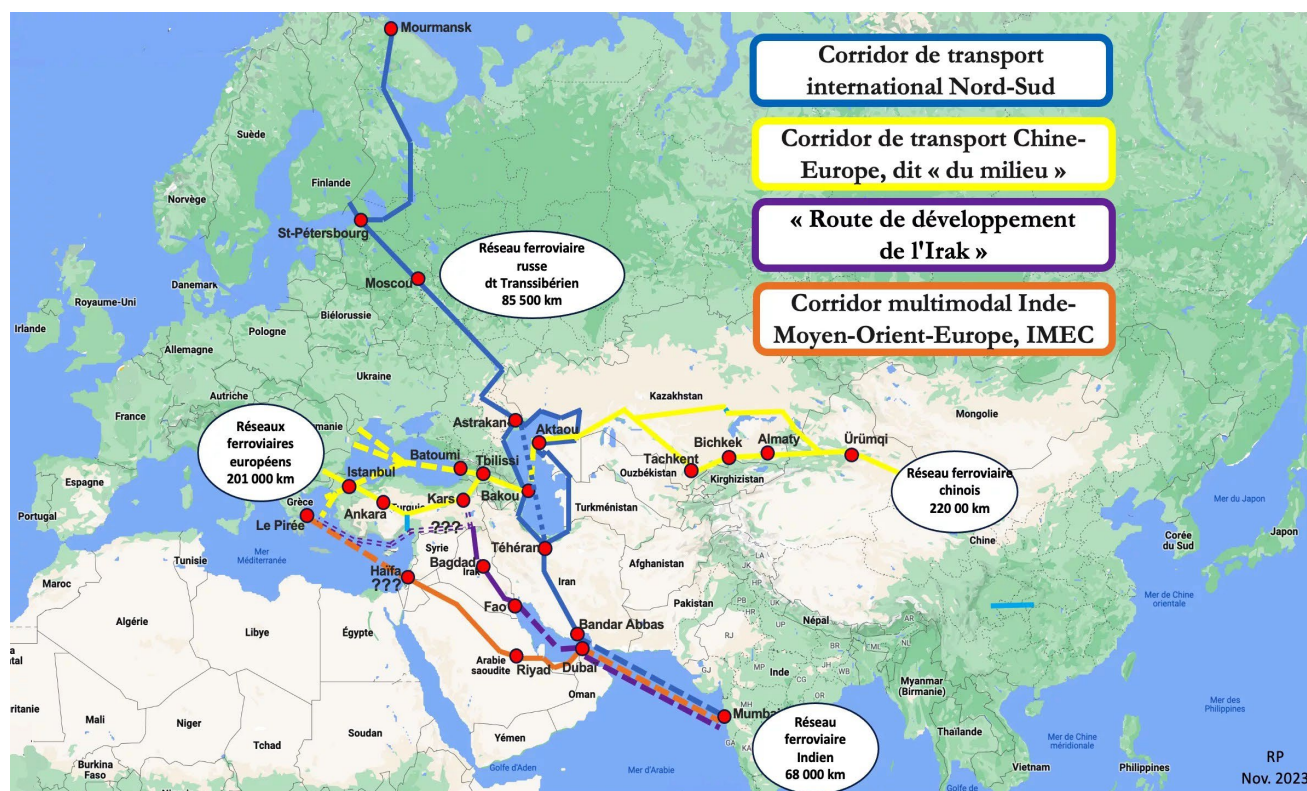
Strategic Challenges and Competitors: Focus on INSTC

Strategically, the corridor is seen as a response to Chinese initiatives, particularly the Belt and Road Initiative. By strengthening ties between India, the Middle East, and Europe, the IMEC could rebalance geopolitical influences in Eurasia and give participating countries greater strategic autonomy. For India, the corridor

is a counterbalance to China: in 2024, New Delhi accelerated its agreements with Oman (Duqm port) and Greece (Alexandroupolis port) to bypass the Chinese "string of pearls". But success will depend on the ability to integrate Iran, a geographical pivot but an ally of Beijing and Moscow.

However, competition with other corridors, such as the International North-South Transport Corridor (INSTC) linking Russia to India via Iran or the BRI, could reduce its competitiveness.

The IMEC is a response to the BRI, but also to the INSTC (North-South Corridor), supported by Russia and Iran, which connects Mumbai to Moscow via Chabahar. Although less developed, the latter offers competitive rates and avoids the murky waters of the Gulf. The INSTC, backed by Russia and Iran, offers 15% cheaper rates than the IMEC (ECFR, 2024), but depends on Western sanctions against Iran. India, torn between its Western partners and its need for ties with Moscow, has invested \$500 million in the Iranian port of Chabahar. This strategic double play could weaken the IMEC if New Delhi prioritizes the INSTC for its exchanges with Eurasia. However, it remains to be clarified that the INSTC remains hampered by US sanctions, which are on a crusade against Iranian and Russian industrialists in a tense geopolitical climate. Could these sanctions actually be a boon for IMEC?



Four corridors face each other, Asie21 (2023) [9]

Potential economic impacts and development prospects for stakeholders

Commercially, the IMEC could transform the dynamics of international trade by offering shorter and potentially more economical routes between Asia and Europe, reducing travel times by 40%.

The IMEC could profoundly restructure intercontinental trade flows :

- **For India**, the corridor offers a unique opportunity for industrial upgrading, energy security, and reducing its dependence on the Chinese market. It could accelerate the establishment of industrial zones along rail and port lines.
- **For the Gulf countries**, the IMEC represents a means of economic diversification and an opportunity to monetize their strategic geographic position. The indirect economic benefits (logistics, financial services, business tourism) could create hundreds of thousands of jobs.
- **For the European Union**, the challenge is to gain resilience, secure its supply chains, and forge geoeconomic alliances that are alternatives to China. Europe could also benefit from a decrease in logistics costs (up to -20%) on certain freight routes.

According to a joint study by IRIS and the Asian Development Bank, the IMEC could generate more than \$600 billion in additional annual trade by 2035, provided that investments are executed consistently.

A project that still seems utopian: many challenges to overcome to achieve it concretely

Although the IMEC represents an ambitious vision for the future of international trade, its realization depends on the ability of the nations involved to overcome major obstacles. Geopolitical tensions, financial uncertainties, and logistical challenges are potential barriers to its implementation. What cooperation?

The success of the corridor will require unprecedented international cooperation, political stability in the regions it crosses, and strong financial commitments. Without a concerted approach and strong political will, the IMEC risks remaining a utopia rather than a tangible reality.

So far, we have a project without any precise roadmap. Can we then call it a "ghost project," or even a "geoeconomic mirage"?

Several options remain to be explored in order to revive the political spark that would lead to the execution of a tangible plan. Other powers such as Japan or South Korea, which are seeking other economic partners and supply routes, could be included.

The question of a joint naval force could be relevant in a tense security context in the Middle East, particularly in the Gulf of Aden, which has an impact on the rest of the region. These options can only be considered within the framework of political and military collaborations to lead to a coherent strategy by European, Indian, and Middle Eastern powers.

The logistical question remains at the heart of the debate. The logistics hub includes key ports on the Indian side (Mundra, Kandla, Jawaharlal Nehru), UAE (Fujairah, Jebel Ali, Khalifa), Saudi Arabia (Dammam), Israel (Haifa), and several European entry points. The critical land crossing points to be modernized are Al Ghuwaifat-Al Batha (UAE-Saudi Arabia), Al Haditha-Al Umari (KSA-Jordan), Sheikh Hussein-Jordan River, and King Hussein-Allenby (Jordan-Israel).

On the rail side, some segments exist (Etihad Rail of about 1" " 200 km; the Saudi eastern and northern network to Qurayyat; Beit Shean-Haifa on the Israeli side of about 60 km), while some links are still missing, particularly at the UAE-Saudi Arabia connections (290-350 km), from the latter to Jordan (30 km), and finally between Jordan and Israel (15 km). [26]

However, it should be noted that China is already deeply involved in most of the

IMEC nodes: participation in Etihad Rail and Saudi lines, involvement in major ports (Haifa Bay Terminal, Piraeus), and positions at the entrance/exit of Suez via COSCO concessions/partnerships, which limits a simplistic "anti-BRI" reading. [26]

According to the KAS report, this is a way to mitigate Chinese influence on critical links (ports/rails) and diversify terminals and trajectories in Europe and the Levant, rather than attempting a brutal exclusion that is difficult to achieve given the existing assets. [26]

Furthermore, the multiplication of corridors complicates the strategic contribution of IMEC. Indeed, the INSTC, a Russian-Iranian alternative, although less publicized, is quietly moving forward. It connects India to Russia via Iran, avoiding the dangerous waters of the Gulf. Would it be a more realistic alternative? As Ankara promotes its own corridor via Iraq (the "Development Road" project) and controls the Bosphorus, Turkey and Egypt, excluded from the project, could undermine the strategic ambitions of the IMEC players.

It is important to note that the United Arab Emirates, a key nation in the realization of the project, is present in 3 different corridors: IMEC, BRI, and IDR (Iraq Development Road). She thus represents the "multialignment" [3] that further complicates the cooperation necessary to achieve the set objectives.

Conclusion

Thus, the India-Middle East-Europe Economic Corridor embodies a collective ambition of the EU, India, and Middle Eastern powers to redefine global trade routes and strengthen ties between key regions of the globe. If the economic and strategic opportunities are immense, the challenges to be met are equally considerable. Only close collaboration and a shared vision will allow this initiative to become a concrete success, beneficial for all stakeholders. Its realization will depend on three key conditions: unprecedented political, economic, and logistical cooperation between historical enemies, transparent financing to reassure investors, and a collective response to exogenous and security threats. Without this, the corridor will remain a geoeconomic pipe dream, eclipsed by more pragmatic projects.

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