



# Connectivity and 'Reglobalization': India-Middle East-Europe Economic Corridor and its Potential Digital Future

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## Summary

- More than a dozen years after Chinese President Xi Jinping announced China's Belt and Road Initiative (BRI) in Kazakhstan and Indonesia, a new connectivity initiative was unveiled with great fanfare by the United States, India, the Middle Eastern and European countries, a during the G20 meeting in New Delhi in late 2023.
- Since the announcement was made without the presence of the Russian and Chinese presidents, it stirred conflicting interpretations. Some viewed the India-Middle East-Europe Economic Corridor (IMEC) as a potential alternative to BRI, while others, pointing to the failure of similar projects backed by Western powers in the past, still view it as a paper tiger. This sentiment has become more pronounced after the project has witnessed very slow progress due to the Gaza War.
- This Insight, by authors representing the three IMEC regions, argues that the corridor remains a strategic opportunity for driving economic growth, promoting technological collaboration, and serving as a platform for regional stabilization. It also stresses that such initiatives have the potential to bolster middle powers and an inter- and trans-regional approach, thus mitigating US-China bipolarism and fragmentation.
- It argues that IMEC promotes 'Corridorization' or new economic pathways of globalization, which is the most significant spatial manifestation of infrastructural capitalism and geo-economics since the beginning of this century.
- The Insight also stresses that corridorization, which is part of the thriving 'minilateralism' space, is part of an ongoing process that is reshaping the global supply chain connectivities and innovation networks created by decades of globalization, which is referred to as 'reglobalization' in some quarters.
- It documents some of the recent progress at the bilateral level, especially between India and the UAE, and how the economic logic and the commitment of multiple stakeholders of such projects could trump regional and geopolitical tensions.
- Finally, it offers some recommendations to the concerned governments on how to better tap the opportunities of such corridors.
  - Expand the entry and exit points to include the port of Duqm in Oman and Khalifa Port in Abu Dhabi (both connected by the Gulf Cooperation Council (GCC) rail network). Other ports could include Beirut, Latakia, and possibly Gaza to help with sustainability, redundancy, and stabilisation, with possible connections to other corridors like the Development Road.
  - Tap opportunities beyond rail-port infrastructure, especially in the digital space, via a 'Digital IMEC', for example.
  - Expand the India-UAE digital corridor to include other IMEC members.
  - Explore opportunities in the sustainable energy domain, integrating advanced renewable solutions into its core infrastructure, particularly in the solar and hydrogen fuel sphere.
  - Use the corridor as a self-reinforcing political stabilisation mechanism – as tools of humanitarian aid, economic interdependence and peacebuilding, as well as Track II diplomacy.
  - Effectively addressing Egypt's concerns about competition between IMEC and the Suez Canal.
  - Encourage greater private sector role and promote public-private partnerships for faster implementation of projects.
  - Attempt to tie-in the project with the UAE's and India's bilateral and minilateral collaborations with Greece, Italy, France, and Germany – especially in terms of using Europe's expertise in trade interoperability.

## The Issue

The India–Middle East–Europe Economic Corridor (IMEC) is a transformative initiative aimed at enhancing economic integration and connectivity between Asia, the Middle East and Europe. Announced by then US President Joe Biden during the G20 Summit in Delhi in September 2023,<sup>1</sup> IMEC seeks to create a seamless trade corridor linking key global markets, reducing logistical costs and fostering cross-regional cooperation. Beyond trade, it would also contribute to global security issues, including the resilience of supply chain, food security and energy security.

The project ushers a new era of connectivity with a railway, linked through ports, connecting India, the UAE, Saudi Arabia, Israel, Jordan, Greece, Italy, France, Germany, and the US, thus giving impetus to the long-talked-about notion of Eurasia. The transit network aims to supplement the existing multi-modal transport routes enhancing transshipment of goods and provision of services. Its goal is to create a network that could include other ports of entry like port of Duqm in Oman, as well as Jebel Ali port in Dubai and Khalifa Port in Abu Dhabi, all connected to the GCC rail-road network. It will also include electricity cables, high-speed data cables, and a hydrogen pipeline, thus contributing to energy and digital economies as well.

However, its implementation has faced significant challenges due to shifting geopolitical dynamics, including the Hamas attacks against Israel on October 7, 2023, the ongoing conflict in Gaza, regional instability, evolving global trade patterns, and the change of presidents in the White House.

Despite these hurdles, IMEC remains a strategic opportunity for driving economic growth, promoting technological collaboration, and serving as a platform for regional stabilization. The initiative received impetus following a meeting between US President Donald Trump and Indian Prime Minister Narendra Modi in February 2025 in the White House. According to the meeting's joint statement:

“The leaders resolved to increase cooperation, enhance diplomatic consultations, and increase tangible collaboration with partners in the Middle East. They highlighted the importance of investing in critical infrastructure and economic corridors to advancing peace and security in the region. The leaders plan to convene partners from the India-Middle East-Europe Corridor and the I2U2 Group within the next six months to announce new initiatives in 2025.”<sup>2</sup>

Despite initial scepticism about the Abraham Accords, I2U2, and IMEC – scepticism that deepened for many observers after 7 October 2023 – some voices have remained more pragmatic and optimistic. This optimism stems from the understanding that certain changes, particularly those implemented before and immediately after the Abraham Accords, are difficult to reverse.<sup>3</sup> While the current state of flux in the region harbours plenty of uncertainty, it could also introduce real opportunities for significant change as the Gaza redevelopment plan gains momentum.

Projects such as I2U2 and IMEC are not merely ambitious; they represent diplomatic experiments blending political, economic and security interests. The pandemic accelerated a recalibration of global supply chains, reinforcing the shift toward a new era where geo-economics increasingly influences geopolitics. This shift has refined globalization into what some describe as “reglobalization”<sup>4</sup> – economic integration and fracturing across different economies and sectors.

IMEC exemplifies this trend, fitting into what can also be termed the “age of corridorization” – marking one of the most significant spatial expressions of infrastructural capitalism and geo-economic strategy in the 21<sup>st</sup> century.<sup>5</sup> Thus, in this world, connectivity is no longer just key – it's king.

In this context, the Abraham Accords, I2U2, and IMEC are fundamentally non-ideological and pragmatic. The convergence of strategic interests of the different stakeholders could make failure less likely. Even if some countries

lack the immediate will to advance these projects, the commitment of others can still drive them forward. The survival of the Abraham Accords and I2U2 despite the events following October 2023 suggests that IMEC too will persist.

A partial rationale for this is that Asian countries and the Middle East are already coming together.<sup>6</sup> India and the UAE, in particular, have been increasing cooperation; by bringing in European partners, a new economic and strategic sphere could be created that helps stabilize the region through economic integration. However, despite the growing momentum, this is unlikely to be “business as usual” given the regional situation. Many Arab countries, particularly Saudi Arabia, are likely to demand concessions for Israeli integration – especially substantial Israeli steps toward establishing a Palestinian state.<sup>7</sup>

The UAE government may also now approach these initiatives with greater caution. The Abraham Accords were government-to-government agreements, not people-to-people initiatives. While the government pushed forward with the Abraham Accords, I2U2, and IMEC plans, the events of October 2023 and their aftermath have made it a topic of public debate. Before October 2023, political compromise was not as essential for these projects. Going forward, however, Israel may need to offer concessions for Gulf and Arab nations to fully embrace the emerging regionalism in the Middle East. This may not require a comprehensive solution as a precondition, but at least a real political willingness to compromise.

From a geopolitical standpoint, the current landscape does not favour the level of cooperation originally envisioned within the IMEC framework among Israel, Jordan, the Palestinian Authority, Saudi Arabia, and the UAE. Meanwhile, Cairo and Ankara worry that the proposed corridor sidelines them. Egypt views it as a direct competitor to the Suez Canal,<sup>8</sup> while Türkiye advocates an alternative Development Road project – rail corridor linking Iraq – as more viable and strategically beneficial for reinforcing its role as a key bridge between Asia and Europe.<sup>9</sup>

Meanwhile, the evolving dynamics of the transatlantic relationship have encouraged European states to enhance their economic and security autonomy, fostering greater strategic independence and resilience. While this is a long-term process that will require enormous financial commitments and strategically coordinated planning far beyond what we have seen in the European integration project, the process of Europe’s partial decoupling from the US will entail an emphasis on new relationships and partnerships, especially in Europe’s immediate neighbourhood as well as in the Indo-Pacific region. IMEC could thus in principle become an infrastructural centrepiece of Europe’s new “autonomy” agenda, enhancing Europe’s logistical, trade and investment links with the economies of the Gulf, India and beyond.

The European position was reinforced in a meeting by the European Commission Ursula von der Leyen and the Indian Prime Minister Narendra Modi in New Delhi in February 2025 in which von der Leyen said: “This can be a win-win-win for Europe, India and our partners. We are ready to invest in concrete projects that can already start making these connections happen. Europe is open for business, and we are ready to invest in our common future with India.”<sup>10</sup>

While the IMEC vision may not unfold exactly as anticipated, it remains strategically and politically relevant and viable. Beyond politics, challenges common to all large-scale projects such as securing capital, aligning infrastructure, and resolving technical and administrative issues persist. Even after a dozen years since the launch of China’s Belt and Road Initiative (BRI), questions about its successes or failures still linger.<sup>11</sup> Thus, IMEC should be seen as a long-term endeavour – a mega project that, when complete, will reshape trade routes from Asia through the Middle East to Europe. Its implementation will likely be phased, with sections and pilot projects rolled out incrementally.

By broadening its scope beyond infrastructure to include digital connectivity, green energy, and regional cooperation – including aid and reconstruction – IMEC could evolve into a resilient and sustainable economic corridor.

With the war in Gaza possibly nearing its end and regional dynamics shifting, gradual but growing cooperation under IMEC could still serve as a stabilizing force. This Insight assesses the current state of IMEC, explores its potential beyond infrastructure, and outlines key policy recommendations to ensure its long-term success.

### **One Corridor, Different Perspectives**

For the United States, IMEC – along with related initiatives like I2U2 – functions as a strategic infrastructure platform that facilitates collaboration between Middle Eastern and South Asian partners. It also serves as a potential counterweight to China’s expanding influence and presents a lucrative economic opportunity. Washington views this as a tool to encourage regional actors to take on greater agency, thereby reducing US resource commitments while preserving its geopolitical leverage.<sup>12</sup>

Since President Trump endorsed the I2U2 minilateral partnership, which ultimately facilitated IMEC, it is likely that he would also continue backing IMEC. Yet in the Middle East, competition and cooperation often coexist in complex shades of grey, unlike the clearer US-China bipolar dynamic. If Washington expects IMEC to operate strictly as a ‘BRI alternative’, it may face disappointment.

For the UAE and Saudi Arabia, these initiatives align with their pursuit of diversified, multi-networked economic diplomacy. Both remain active participants in China’s BRI, have joined the Shanghai Cooperation Organization (SCO) as dialogue partners, and participate in the expanded BRICS framework – even as they deepen ties with India and the US. Their involvement in multiple ‘minilateral’ arrangements underscores a quest for strategic autonomy and broader influence in global and regional affairs.

Saudi Arabia is seeking security guarantees from Washington and aims to mediate US talks with Russia over the war in Ukraine, while the UAE has carved out a niche in connectivity and multi-alignment. Although their approaches to China’s rise and regional challenges diverge, Gulf states’ participation in US-led projects signals a continued preference for balanced diplomacy amid US–China competition.

India exemplifies a multi-alignment strategy that other powers increasingly emulate. A member of both US-led groups like the Quad and I2U2, as well as China-inclusive organizations like BRICS and the SCO, New Delhi balances cooperation with competition – even as tensions with Beijing remain over border disputes, amid some thaw recently<sup>13</sup>. IMEC complements India’s other strategic corridor, the International North–South Transport Corridor (INSTC) with Iran and Russia, which is also a key ingredient to ensure India’s position as the world’s fastest-growing major economy.

Amid the Israel-Gaza war tension, India has consistently asserted that there will be no adverse impact on its progress.

“The IMEC is for the long term and its significance is long term. While short-term glitches can cause concerns and occupy our minds, we will keep engaging with all stakeholders. This is just not for the immediate future ... We are seized by the pressing need to grow the maritime sector as a whole ... We seek to position India as a hub in new and diversified supply chains and value chains across the Indo-Pacific and, indeed, across the world.”<sup>14</sup>

Israel is likewise viewed as an important IMEC participant, aligning with renewed US efforts to expand the Abraham Accords and facilitate Saudi-Israeli normalization. After months of war in Gaza and Lebanon, and amid ongoing regional instability, both Israel and Washington regard an expanded Abraham Accords – especially securing Riyadh’s involvement – as a priority. However, Saudi Arabia links normalization with Israel to tangible progress on the Palestinian issue. While Prime Minister Netanyahu’s right-wing coalition may resist direct concessions to the Palestinians, it may still make them indirectly – using “Palestinian currency” to satisfy Saudi demands, especially under US and Trump pressure for a broader regional realignment.<sup>15</sup>

The last piece in this new connectivity puzzle is Europe, particularly the Eastern Mediterranean countries. IMEC arrives at a timely moment, given that the European Union's own 'Global Gateway' connectivity project has not gained adequate momentum – partly because diplomats in Brussels remain wary of multi-alignment strategies and transregional corridors. The momentum of the first summit between the European Union and the Gulf Cooperation Council on 16 October 2024, and the commitment to create a "strategic trade and investment partnership" among various other cooperation projects,<sup>16</sup> could be used to promote European participation in IMEC as a pilot project. European states such as France, Italy, Greece, and Germany are beginning to take a more active approach to the corridor. Some of these European countries also have good bilateral and trilateral ties with India and the UAE, which could help in clearing IMEC obstacles in the future.

Meanwhile, tension between the Trump administration and Europe over Russia and the war in Ukraine could further incentivize these countries to bolster their involvement in IMEC – not only to engage the United States in the Middle East, which the current administration still views as strategically important, but also to diversify away from over-reliance on Washington by forging deeper ties with the Middle East and Asia.

### **Current State of Play**

IMEC outlines two distinct corridors – an east corridor connecting India to the Gulf and a north-western corridor linking the Gulf with Jordan and Israel, and eventually Europe. Both corridors aim to supplement traditional maritime routes with a reliable ship-to-rail network. IMEC's long-term success depends on cost-effective investments, innovative solutions, and sustainable benefits for local communities. Developing integrated industrial parks that combine ports, power and rail infrastructure can achieve economies of scale and create synergies.

In terms of the corridor's existing physical foundation, India's western ports already serve as key gateways to the Gulf, while the UAE and Saudi Arabia continue to invest heavily in rail networks. India's western ports – Mumbai, Kandla, Mangalore, Mormugao, and Kochi – are major transit hubs for Gulf-bound trade. This existing ecosystem, especially the cooperation between New Delhi and Abu Dhabi, provides an immediate economic route for IMEC without necessitating large-scale infrastructure upgrades. Although Jebel Ali in Dubai is often touted for its prime geographic and economic location, Fujairah Port on the Gulf of Oman may also serve as a strategic hub by circumventing the Strait of Hormuz.<sup>17</sup>

With India's port facilities largely in place, much of the required construction relates to above-land connectivity, where rail networks remain under development. The UAE's Etihad Rail network is expected to span the country's western coast, connecting Jebel Ali and Khalifa ports to Ghuweifat near the Saudi border. In Saudi Arabia, rail systems are advancing quickly, although trucks continue to carry a substantial share of freight. Rail lines linking the Saudi-Jordan border – at Al Haditha and Al Quorayat – are nearly complete. While the network remains limited, future plans aim to link key ports and economic zones by rail.<sup>18</sup>

Because the UAE and Saudi Arabia play central roles in overland freight movement, their networks are likely to extend into smaller neighbouring states earmarked for IMEC, including Jordan and Israel. The recent rail agreement between the UAE and Oman – though Oman is not part of IMEC – may nonetheless serve as a blueprint for other countries wishing to join the corridor.<sup>19</sup>

Protecting critical infrastructure from threats – such as the pipeline attacks in Egypt, disruptions to Russia-Germany pipelines, and sabotage of undersea cables – is essential.<sup>20</sup> A comprehensive approach to both physical and cybersecurity is therefore crucial. IMEC can also facilitate green hydrogen production and transportation, connecting key producers and consumers. Shorter shipping times benefit perishable goods, making them more accessible in the Middle East and Europe. Initiatives like Adani's investment in the Haifa port highlight how the private sector can drive progress, thereby pushing governments to keep pace. As trade and investments grow, security measures will likely evolve in parallel to protect these new ecosystems.

In February 2024, India and the UAE formalized their commitment to IMEC by signing an agreement to further develop the corridor, signalling confidence in its long-term economic potential.<sup>21</sup> However, geopolitical tensions – particularly those stemming from the war in Gaza, Lebanon and Syria – have complicated faster implementation. Success in future will depend on overcoming logistical and diplomatic obstacles while ensuring buy-in from both governments and the private sector.

In a sign of the private sector serving as a game-changing catalyst and the push for public-private partnership, the I2U2 grouping signed a memorandum of understanding with the US-UAE Business Council, the UAE-India Business Council, and the UAE-Israel Business Council to form the I2U2 Business Coalition. Such an endeavour in the IMEC sphere is also a possibility.<sup>22</sup>

To maintain momentum, feasibility studies should be commissioned for various sections of the corridor, and targeted projects – such as port expansions, rail connectivity and smart logistics hubs – should be prioritized by IMEC member countries. Engaging multinational corporations and regional trade alliances will be critical to advancing the corridor's full potential.

### **Beyond Infrastructure: A Multi-Dimensional Platform**

IMEC holds significant promise for transforming regional connectivity through ambitious infrastructure projects. However, to realize its full potential, IMEC must expand beyond traditional physical infrastructure, incorporating digital transformation, sustainable energy initiatives, and strategies for regional stabilization. Such a comprehensive approach not only enhances economic integration but also fosters long-term resilience and prosperity for all participating regions.

According to the IMEC Memorandum of Understanding (MoU) from September 2023: "Along the railway route, participants intend to enable the laying of cable for electricity and digital connectivity, as well as pipeline for clean hydrogen export."<sup>23</sup> Broadening IMEC's scope beyond infrastructure will allow the initiative to become truly transformative. Key areas of cooperation include green hydrogen, digital connectivity, and broader technological collaboration.

One base for IMEC's technological ambitions is the India-UAE digital corridor, established in September 2024, as part of the UAE-India Comprehensive Economic Partnership Agreement.<sup>24</sup> Both nations have agreed to integrate elements of e-governance, fintech, and digital trade facilitation – most visibly through pilot projects linking customs systems, streamlining payment gateways, and establishing data security standards. For example, India's Unified Payments Interface is increasingly accepted in the UAE, showing how cross-border payments and financial transactions can be made more seamless.<sup>25</sup>

Early successes in virtual trade corridors and real-time payment systems illustrate the feasibility of a wider, region-spanning digital platform. By extending proven elements – such as automated customs clearance and blockchain-based verification – and learning from challenges encountered so far, IMEC member states could reduce bottlenecks, improve transparency, and enhance overall resilience, even before fully realizing physical infrastructure projects.

### **Establishing 'Digital IMEC'**

In the contemporary global economy, digital connectivity is just as crucial as physical infrastructure. By developing a robust digital framework, IMEC can facilitate seamless cross-border technological collaboration, bolster digital trade, and strengthen cybersecurity among member nations.

- **Regional Digital Infrastructure:** Investing in regional undersea data cables, secure digital trade networks, cloud computing hubs, and blockchain-based logistics systems can significantly improve transparency and efficiency for all participants. For instance, applying blockchain to supply-chain management can reduce fraud, minimize errors, speed up documentation processes, and simplify inventory tracking.



- **AI and Digital Innovation:** Collaborative initiatives in artificial intelligence (AI) development and semiconductor fabrication across the IMEC network can yield transformative breakthroughs and strengthen member states' supply chains.
- **Supply Chain Resilience:** Coordinating semiconductor fabrication facilities, AI research centres, and cross-border tech incubators can reduce dependency on single markets for critical components, mitigating chip shortages and anchoring a more stable, long-term technology base in the region.
- **Advanced Manufacturing:** From specialized AI chips to superconducting digital technologies, collaborative R&D among IMEC stakeholders can drive next-generation hardware innovation, crucial for high-performance computing, quantum computing and specialized sensors.
- **E-Commerce and Fintech Integration:** Strengthening cross-border financial systems through digital payment platforms and joint Central Bank Digital Currency platforms can enhance trade efficiency and investment flows among IMEC nations. Standardizing payment interfaces – such as India's UPI or the UAE's fintech solutions – and harmonizing digital customs procedures facilitate smoother transactions and reduce currency- and documentation-related bottlenecks.

### Green Energy and Sustainability Initiatives

IMEC is well-positioned to emerge as a leading platform for green technology and sustainable energy, integrating advanced renewable solutions into its core infrastructure to drive both environmental stewardship and robust economic growth. A key component of this vision is the incorporation of clean energy into the corridor, including solar, wind and hydrogen pipelines. Clean hydrogen is widely viewed as a potential long-term replacement for fossil fuels.

- **India:** has already allocated \$2.5 billion to support its emergence as a major green hydrogen hub.<sup>26</sup> Major Indian conglomerates – including Reliance Industries, the Adani Group, Larsen & Toubro Limited, and ReNew Energy Global – have announced multibillion-dollar investments in this area.<sup>27</sup>
- **UAE:** Masdar is leading multiple green hydrogen projects, while ADNOC explores low-carbon hydrogen production and derivatives like ammonia.<sup>28</sup>
- **Saudi Arabia:** The NEOM project, in partnership with ACWA Power and Air Products, aims to develop one of the world's largest green hydrogen facilities, placing the kingdom at the forefront of renewable energy innovation.<sup>29</sup>
- **Israel:** Israeli firms have made advancements in hydrogen storage and transport, potentially complementing broader regional efforts.<sup>30</sup>
- **Hydrogen Cooperation:** Collaborative efforts in pipeline construction, storage facilities, and fuelling stations can help establish a regional hydrogen economy.
- **Renewable Energy R&D:** A dedicated university and company consortium focused on solar, wind and hydrogen research can spark innovation and position IMEC as a leader in sustainable energy development via deepened coordination of higher education institutions of all involved countries and a focus on people to people contacts among a new generation of researchers and scientists.

### Stabilization Mechanism

Beyond economic benefits, IMEC can play a strategic role in stabilizing the region by fostering cooperation and addressing shared challenges.

- **Humanitarian Aid and Reconstruction:** The corridor could serve as a conduit for efficiently delivering aid to conflict-affected areas and supporting post-conflict rebuilding. By streamlining the flow of resources, IMEC can bolster reconstruction efforts in places such as Gaza, Lebanon, Syria and Libya.
- **Economic Interdependence and Infrastructures as a Peacebuilding Tool:** Stronger economic ties among IMEC nations can reduce geopolitical tensions and foster long-term stability. This interdependence can form a foundation for peaceful relations and collective problem-solving.

- Track 2 Diplomacy: Establishing an IMEC policy forum, incorporating governments, think tanks, and private-sector leaders, can drive economic integration and address regional security concerns. Such platforms build trust and help cultivate collaborative approaches to shared challenges.

By broadening its scope beyond infrastructure alone, IMEC can evolve into a multi-dimensional platform – enhancing economic connectivity, driving technological innovation, advancing sustainable energy, and contributing to regional stability. Such a holistic strategy ensures that IMEC provides long-term, inclusive benefits for all stakeholders.

### **Political Challenges**

Regional security – particularly the Palestinian issue – remains critical to IMEC’s viability. The corridor can serve as one mechanism to integrate Israeli-Palestinian economic projects under a regional umbrella, moving beyond ad hoc initiatives.

Meanwhile, Türkiye’s entanglement in Syria and its fluid relationships with Iran and regional proxies underscore the need for pragmatic stability strategies. Likewise, Jordan – a key land bridge connecting Saudi Arabia, Israel, and the Palestinian territories – will have an essential role in maintaining seamless transit and broader regional cooperation.

A prominent challenge for IMEC is effectively integrating Egypt while addressing its concerns about competition with the Suez Canal. As trade volumes between India and Europe grow, the Suez Canal alone may face capacity constraints, making complementary routes more appealing. One potential solution involves connecting northern Saudi Arabia to Egyptian ports via Sinai, enhancing Egypt’s strategic position in global trade rather than diminishing it. To that end, comprehensive feasibility studies of Egyptian port capacities – alongside efficiency upgrades and well-defined transition plans – are crucial.

Through multilateral engagement and careful planning, Egypt’s inclusion in IMEC can anchor regional economic development, bolster employment and provide a conduit for critical aid and reconstruction efforts in Gaza, the West Bank, Lebanon, and Israel. Closer coordination with international humanitarian agencies would also help streamline assistance delivery, possibly through digital platforms that track and facilitate cross-border support.

From a broader vantage point, Europe’s perspective is increasingly relevant. As European nations like France, Germany, Greece, and Italy seek more stable and diversified trade routes, they have strong incentives to engage with IMEC. This not only fosters partnerships with the United States in an area Washington still deems strategically important, but also strengthens Europe’s autonomy by creating alternative supply-chain options across the Middle East and Asia.

For China, IMEC throws up a challenge and an opportunity. It could dismissively treat the IMEC like the United States has done with the BRI. The other option, as indicated soon after the G20 meeting in 2023, is to demonstrate its openness to support multidirectional connectivity, even if it is not part of this corridor, as long as such projects are “open, inclusive, and form synergy,” and do not become “geopolitical tools.”<sup>31</sup>

Technology and security cooperation are pivotal for IMEC’s successful implementation – covering risk assessments, communications networks, and the protection of undersea cables. A multi-stakeholder approach that includes private-sector investors, government authorities, and civil-society organizations is essential. In the short term, pilot projects – such as partial rail connections, digitized customs systems, and secure data-sharing – can deliver early wins. Over the longer term, more expansive infrastructure and trade facilitation efforts will need sustained political commitment and coordination.

While stakeholders’ divergent interests and occasional political friction are acknowledged, the corridor’s multilateral nature can offer resilience. For Israel, credibility and efficiency in meeting diplomatic commitments will be crucial for regional buy-in, especially from Arab partners.

Encouraging private-sector engagement – from global logistics firms to innovative technology companies – may also mitigate political risk by providing capital, expertise, and a focus on commercial viability. Ultimately, IMEC’s viability hinges on technology integration, comprehensive security collaboration, and institutionalized multi-stakeholder engagement. Only through patient, phased development that balances economic imperatives with complex geopolitical realities can the corridor fully achieve its transformative potential.

## Looking Forward

IMEC is neither a new concept nor the only such corridor. Yet, current geopolitical circumstances make it even more viable and important than before. For IMEC to succeed, strong leadership – whether from a single champion or a collective coalition – and substantial funding are paramount.

Existing multilateral partnerships such as I2U2 provide a solid base for cooperation under IMEC, while new trilateral groupings (e.g., UAE-India-Greece or UAE-India-France or UAE-India-Germany) could further bolster the corridor by leveraging European expertise in trade interoperability. A major challenge lies in reconciling the participation of Saudi Arabia and Jordan with the Israeli-Palestinian conflict, especially against the backdrop of the Gaza War. Addressing these political complexities is vital for bridging divides and unlocking IMEC’s potential.

In the immediate term, waiting for a comprehensive political solution is impractical. Instead, proactive efforts are needed to create momentum, particularly around the Israeli-Palestinian issue. IMEC and the Abraham Accords offer a framework that can integrate not only Israel but also the Palestinians into the region’s economic networks. By coordinating aid and rebuilding efforts in Gaza and beyond, IMEC can demonstrate its capacity for regional problem-solving, showing how corridor projects can have humanitarian and peacebuilding dimensions.

Saudi Arabia’s role is pivotal in any political resolution involving Israel. The 2002 Arab Peace Initiative remains relevant, though it may require updates to reflect current realities. Meanwhile, Egypt’s initial hesitation toward IMEC is diminishing. To ensure Cairo’s participation, IMEC must underscore its inclusive nature. A clear institutional framework could address Egyptian concerns regarding the Suez Canal – particularly as India-Middle East-Europe trade is projected to double over the next decade.

For IMEC to thrive, it needs to deliver win-win outcomes for all stakeholders, sidestepping the pitfalls of simple bilateralism. Positioning IMEC as a direct competitor to China’s BRI or involving Russia in a destabilizing manner could complicate progress. Ideally, IMEC should remain a cross-regional, locally-led initiative that fosters regional ownership.

IMEC is a long-term, multigenerational project. It relies on political stability, and may also help achieve it. While the UAE-India and UAE-Saudi Arabia segments may advance relatively quickly, the middle segments present greater complexity.

Much like a ‘start-up’ aspiring to become a ‘unicorn’, IMEC requires leadership, capital, political will, and creativity. Pipeline projects, green hydrogen ventures, and digital corridors offer prime opportunities, including small and medium-sized enterprises. Although infrastructure development will take time, technological cooperation can begin immediately – through ‘Digital IMEC’ initiatives that spur innovation, enhance digital infrastructure, and support smart logistics and trade solutions. These efforts can also reinforce cybersecurity, making the corridor more resilient to emerging threats.

## Practical Steps

To ensure IMEC’s long-term success and expand its impact beyond infrastructure, the following policy recommendations could be considered:

### Institutional and Strategic Enhancements

- Establish an IMEC Secretariat: Create a central coordinating body to manage and drive the initiative, ensuring alignment among stakeholders and providing long-term oversight.

- Develop Public–Private Partnerships: Attract private–sector investment by creating favourable environments and risk-sharing mechanisms.
- Create a Regional Economic Framework: Streamline trade regulations, customs procedures, and digital standards among IMEC members to facilitate seamless economic integration.

#### Strengthening IMEC Digital and Technological Cooperation

- Launch a Digital IMEC Working Group: Encourage collaboration in AI, fintech, and cybersecurity among member nations.
- Foster Cross–Border Technology Incubators: Support startups working on logistics, renewable energy, and smart city development via innovation hubs.
- Promote E–Commerce and Digital Trade Integration: Standardize payment systems and digital customs processes across IMEC nations to enhance trade efficiency.

#### Advancing Green Energy Initiatives

- Initiate Pilot Projects in Hydrogen Production and Storage:
- Test feasibility and scalability of hydrogen as a clean energy source within the corridor.
- Expand Water–Energy Trade Partnerships: Use and expand the Jordan–UAE–Israel Water for Energy agreement as a base for leveraging desalination technologies to enhance energy security and resource sharing among IMEC partners.
- Encourage Joint Investments in Renewable Energy R&D: Focus on solar and wind infrastructure to promote corridor-wide sustainable energy solutions.

#### Conduct Feasibility Studies

- Launch comprehensive studies on infrastructure, financial viability, and project-specific needs.

#### Initiate a Track II Platform

- Form working groups with governments, think tanks, and the private sector. Organize business roundtables to advance specific projects and address security concerns.

#### Set Clear Timeframes and Expectations

- Recognize that IMEC is a marathon, not a sprint – incremental progress should be anchored by measurable milestones and transparent benchmarks.

### Conclusion

IMEC represents more than just a trade corridor; it is a multi-pronged strategic platform that can drive economic growth, technological innovation and regional stability. Extending its scope beyond rail and port infrastructure to include digital connectivity and technological cooperation as well as green energy, could position IMEC uniquely to tackle both immediate challenges and long-term goals. By creating frameworks for public–private partnerships, Track II diplomacy, and cross-border technological collaboration, IMEC offers a blueprint for how corridors can serve as catalysts for sustainable development and peace amid growing geopolitical uncertainty.

It is important to look at corridors not just as connectors between points A and B. It's more like a current in a coil that creates an electromagnetic field around it, thus affecting the whole region. Corridors will not only help India (point of origin) and Europe (recipient), but will incorporate and benefit economies of other countries across several regions. Eventually, its impact would create cooperation models beyond the economy, and include cultural and security cooperation as well.

Realizing IMEC's full potential will require commitment from regional players, constructive engagement with external stakeholders (including Europe and the United States), and a willingness to pursue phased, carefully



sequenced projects. By embracing both near-term pilot programmes in digital integration and long-term infrastructure visions, IMEC can deliver early wins while laying the groundwork for deeper economic and political transformation. Europe should look at IMEC as a tool to extend bridges to the new economic growth markets in Asia. This will not only help its economy, but also revitalize its ability to serve as a potential connector among Asia, Africa and the Americas.

In a rapidly evolving geopolitical landscape, such a model of inclusive, technology-driven, and sustainability-focused cooperation could mark a turning point – one where regional corridors not only move goods efficiently but also foster stability and shared prosperity.

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