

Q. India-Middle East-Europe Economic Corridor is a mega project to counter China's BRI. Critically evaluate this statement.

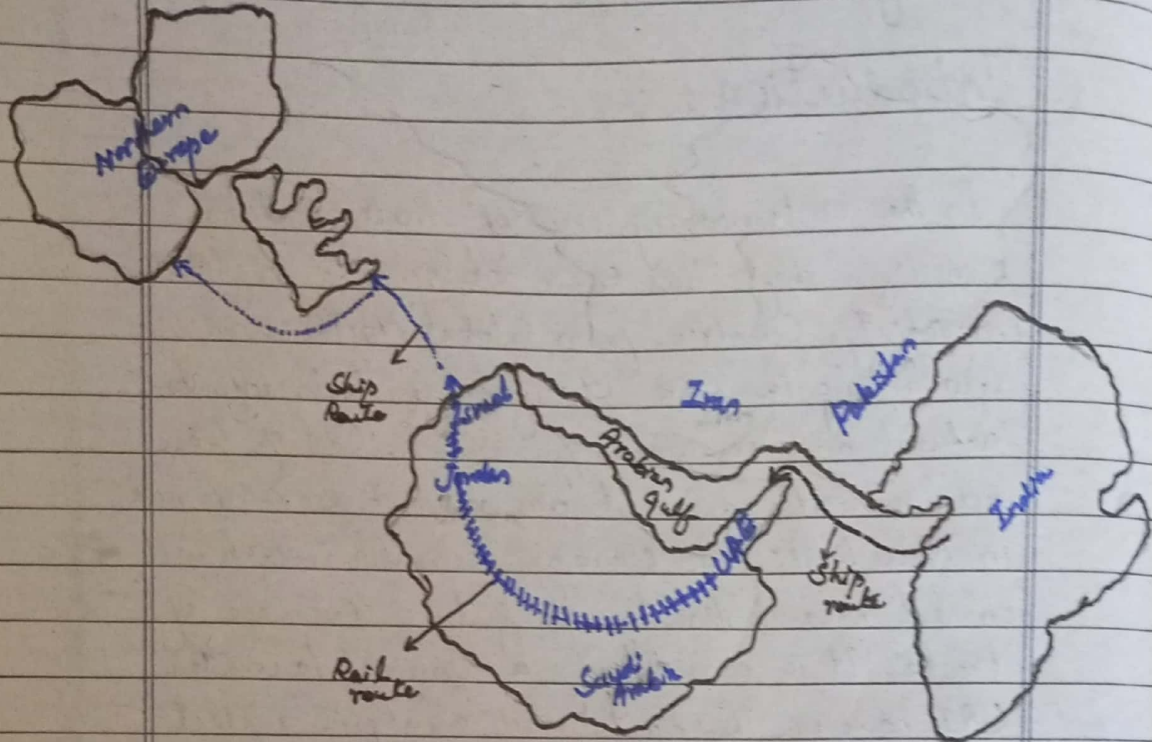
1. Introduction:

In the contemporary era of modernization, paradigm shift has been observed in global connectivity. Countries from Global North and Global South are strengthening their infrastructural and economic framework. Out of these advancements, a recent one has been announced in New Delhi. An economic corridor which will connect three continents in future for ease of trade. It is considered a project to counter BRI however, the facts and analysis reflect an opposing reality that this project holds no threat for BRI.

2. General Overview of India-Middle East-Europe Economic Corridor (IMEEC):

Since the era of multipolarity steps in, there has been huge displacements in the priorities of states. Most of states including US (United States), India, Saudi Arabia etc are waging economic competition. The latest initiative in the era of global connectivity is IMEEC which was announced at 10 September, 2023 G-20 summit in New Delhi. This ship to rail transit and trade network will

connect India to Middle East and then Middle East to Europe.



Map of IMEEC Route

3- Detailed Analysis of IMEEC:

The initiative of IMEEC has instigated the debate whether this mega project is a counter to China's BRI (Belt Road Initiative) to thwart its growing military and economic ambitions. There are different ongoing debates about the potential of IMEEC, which can be analyzed by delving into detailed analysis of this project.

i-Geographical Reach of IMEEC:

IMEEC consist of two separate corridors i.e. Eastern and Northern Corridor. Eastern corridor would connect India to Middle East, through

Indian Ocean. Northern Corridor would connect Gulf countries to Europe through Haifa Port of Israel. IMEEC would involve constructing multimodal rail channels and shipping routes over 5000km, capacity enhancement of seaports, electricity cables etc.

ii- Financial Cost :

The financial costs of IMEEC are yet to be announced. As per media reports, the costs of project varies from 8 billion to 20 billion according to Atlantic Council. It is considered an extension of B3W (Build Back Better World) also known as Partnerships for Global Infrastructure and Investment.

iii- Geopolitical and Geoeconomic Significance :

IMEEC is the first-geopolitical and geoeconomic significant project - project that includes communication and transport among diverse countries. India, UAE, Saudi Arabia and the European Union have different and multifaceted motivation. These distinct motivations depict the larger picture of geopolitics and geoeconomics.

iv- India as Major Beneficiary :

Through this project, India would have opportunities to enhance economic efficiency, reduce transportation cost and boost transit routes. It will also provides a cost effective route to reach European shores, Afghanistan and Central Asia. India cannot transfer goods

without using Guadar port but due to its antagonistic nature, it sought to bypass the Pakistan by envisioning an alternative route. India is also investing in Chabahar port in Iran but US sanctions on Iran have left "International North-South Transportation Corridor" in tatters.

v- Normalization of Arab-Israel Ties and IMEEC:

The normalization of Arab-Israel ties and greater economic integration. Israeli Prime Minister at UN General Assembly called this corridor as the corridor of peace and prosperity. As far as Saudi Arabia is concerned, Muhammad Bin Salman wants to remodel its economy to make it less oil dependent through this corridor. Similarly, UAE is projecting itself a global hub for trade, tourism etc. After Abraham Accords 2020, IMEEC would have positive impact on normalization of UAE-Israel ties.

vi- US and Recent Trend of Reversing its Decline:

US is viewing IMEEC as an important tool to influence global and regional developments and reassert US about there. IMEEC would help US in achieving its foreign policy goals in different ways: by broadening scope of Abraham Accords and by strengthening the I2U2 multilateral agreement.

4- Critical Analysis of IMEEC as Threat to China's BRI :

Withstanding the significant benefits that IMEC is set to consolidate its geoeconomic reach, this project has triggered a debate to counter China's BRI. This question demands a closer examination of both projects to draw a conclusion.

i- Vast Dimension of BRI Vs Limited Scope of IMEEC :

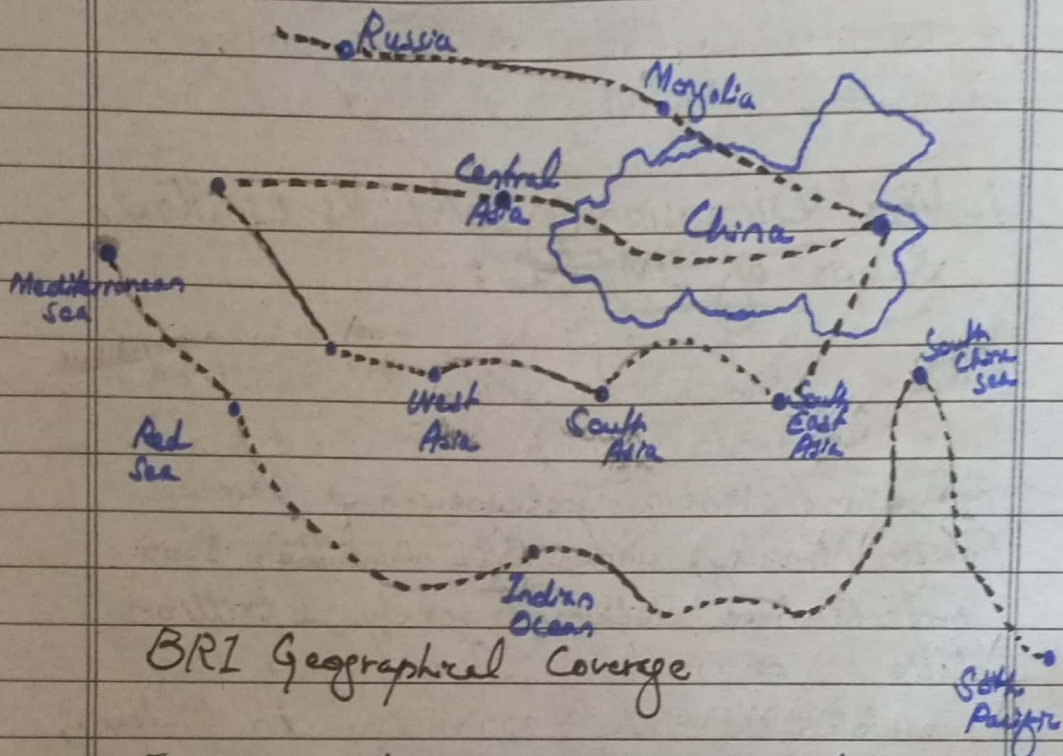
BRI in 2013, is a transnational infrastructure project expanded across 150 countries. As per, Wang Wenbin Spokesperson of Chinese Foreign Ministry, under BRI more than 3000 projects have delivered nearly 1 trillion dollars of investment. The project has completed its 10th anniversary in October, it has also increased Chinese influence in the regions where US was dominated. There are different projects under BRI while under IMEEC, only rails-road transit and ship port network would be covered.

ii. Difference in Investments of Projects :

BRI includes heavy investments as compared to IMEEC which is in planning phase. Under BRI, CPEC (China Pakistan Economic Corridor) was launched in 2013,

with starting investment of \$46 billion and was raised to \$65 billion in 2022. On the contrary, IMPEEC is expected to invest around \$8 billion to \$20 billion as per Atlantic Council.

iii-Difference in Geographical Coverage:



There is a huge difference among the geographical coverages of BRI and IMPEEC which itself is a fact that IMPEEC poses a threat to BRI.

iv-Difference in Transportation Modes:

Another difference which reflects the fact that IMPEEC is not a counterpart of BRI is difference in their transportation modes. IMPEEC only covers rail-road transit, ports and is mostly sea-based transportation. This indicates logistical problems that it is going

to face in the future.

v. Difference in Clear Decision Making Fiscal Authority :

In case of BRI, China has exclusive decision making authority and is fiscally responsible for all investment. In contrast, IMEEC has yet to face any clear demarcation of fiscal responsibilities, which could lead to serious handicaps in the future.

vi. Differences in Nature of Scope of Projects:

BRI is a multidimensional initiative involving a wide array of developmental projects including infrastructure developments, energy projects, fibre optics, agricultural and industrial development. IMEEC is limited in scope, encompassing shipping lanes and buildings while missing road and railway infrastructure in some projects.

vii. Multidirectional Route of BRI Vs Unidirectional Route of IMEEC:

The BRI is multidimensional and has maintained two ways of movement of goods across Europe, Africa, Asia and even America. On the other hand, IMEEC is a unidirectional project connecting India to Europe through Middle East. This comparison shows that IMEEC is significant but holds limitations.

viii. Close Partnership of Gulf States with China:

Another important factor to consider while drawing

analogy between (US) China's BRI and IMEEC is the close partnership of Gulf States with China. As per Atlantic Council, in 2022 more than 45% of all Chinese crude imports were shipped from Gulf countries. Therefore, it seems inappropriate to paint IMEEC to counter BRI.

ix- Vulnerability Factor of Projects:

Unlike BRI which is immune to regional and global or bilateral conflicts, IMEEC is vulnerable to conflicts and may see inefficiencies and delay. The Times of Israel has written that recent war has forced Saudi to put normalization with Israel "on ice".

x- Clear Agenda of Projects: BRI VS IMEEC:

When BRI was launched, it has its clear agenda of economic cooperation which is also mentioned in the book, "Maritime Silk Road." However, in case of IMEEC, there are different motivations for each state which make it inappropriate to pose any threat to BRI.

Conclusion:

IMEEC is a project of Rich Men's Club of GCC and G7 and has bright prospects of success. However, there are structural, geographical, economic and political limitations which make it hardly a substitute for China's-sponsored BRI.

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