

Q India-Middle East Europe corridor is projected as a competitor to the Belt and Road Initiative of China. Critically evaluate the potential and future prospects of two projects?

Introduction:-

The recent G20 summit in Delhi unveiled the vision for an Indian-middle-east-Europe economic corridor (IMEC). The IMEC is viewed as counter to China's Belt and Road Initiative (BRI). In the multipolar world, economic corridors have emerged as strategic chessboards that shapes the moves of regional powers. The question arises - Can IMEC effectively counterbalance China's BRI?

BRI - Decade of Transformation:

As 2023 marked the 10th anniversary of China's Belt and Road Initiative (BRI) - sometimes referred as New Silk Road. BRI unfolds a multi-trillion-dollar global cooperation with the investment of nearly 8 trillion dollars. China has signed over 200 projects and cooperation agreements with 152 nations and 32 international organizations under the BRI platform. Despite, the BRI received or largely being labelled as part of China's debt trap policy, countries interest to its initiative continues to grow and increased.

IMEC vs. BRI: Clash of Economic Visions

In the broader context of US-China rivalry, the BRI and IMEC have conflicting interests and visions for economic development. China's win-win formula remains the core of BRI and stands in contrast to the IMEC's emergence as a response to counter China's growing influence.

Financing Dilemma of IMEC:

IMEC faces significant uncertainty regarding its costs and anticipated benefits. Saudi Arabia, India, and the United States have not established an action plan with their IMEC partners to outline a transparent financial framework for the corridor.

Challenges to IMEC:

1. Unclear financing arrangements
2. Competition with established trade routes (i.e. Suez Canal)
3. Limited existing infrastructure in certain regions (e.g. Greece)
4. High construction costs in desert areas (e.g. Saudi Arabia and UAE)

Comparative Analysis: BRI vs IMEC

- 1) Initiation and Progress
 - BRI was launched in 2013 and is actively progressing
 - IMEC is in the MoU stage, indicating its preliminary planning.
- 2) Scale of Investment
 - BRI has estimated value of around US\$ 8 trillion
 - IMEC's investments are projected to be smaller, possibly a few billion dollars.
- 3) Geographical Coverage
 - BRI spans approximately 150 countries and majorly are developing countries
- 4) Transportation modes
 - BRI has diversified network, with 70% focused on land-based routes.
 - IMEC emphasizes sea transportation, shipping lanes and rail and road connections
- 5) Influence in the Region
 - BRI is multidirectional, connecting China with Asia, Europe, Africa and Latin America.
 - IMEC is unidirectional, primarily connecting India to Europe.

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Scope of Projects

- BRI includes a wide range of projects from infrastructure to energy, agriculture and industrial zones.
- IMEC scope appears limited, focusing on shipping lanes and rail and road infrastructure.

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Prospects of IMEC

- Robust private sector involvement can expedite project implementation.
- Economic benefits include regional integration and enhanced energy security.

Conclusion:-

The future of economic corridors remain uncertain. The clash between IMEC and BRI unravels more than just infrastructure development, it represents a struggle for global influence. BRI and IMEC represents distinct approaches, with BRI having a larger scale and global impact. On the other hand, IMEC offers economic benefits and connectivity but is still in early stages. As they say "it will take time to things rhyme".