

TOOBA GUL

Batch: 339

CURRENT AFFAIRS

## PART-II

Q.4

India-Middle East Europe ---

### 1-INTRODUCTION:

India-Middle East Europe Corridor is a corridor of geostrategic, geo-political and economic significance. This corridor is formed from collaborative efforts of United States, India and their allies to redefine trade routes between **India, Middle East** and **Europe**. It aims to offset China's Belt and Road Initiative and expected to serve as an alternative to **Suez Canal** as a trade route. The two projects i.e., IMEC and BRI are made to advance their respective countries' interests in economic, social and political arenas. Moreover, IMEC's superficial purpose is to enhance the movement of goods, money and encourage social relations among countries. However, the underlying purpose is to counter China's influence in the Middle East and Asia Pacific. Besides, to curb China's BRI ~~is~~ expansion is one of its most



crucial aim. Owing to these facts, both BRI and IMEC hold immense potential to change the global world order. Nevertheless, severe challenges need to be ~~convers~~ eradicated.

## 2- ORIGIN OF IMEC:

launched in September 2023 at G20 Summit in New Delhi, this corridor aimed to unveil the economic plans of Saudi Arabia, United Arab Emirates, European Union, India, France, Italy, Japan, <sup>and</sup> Germany after they signed a Memorandum of ~~Agta~~ Understanding (MOU).

## 3- DECADE OF BRI:

Known within China as the One Belt One Road, is a global infrastructure development project adopted by Chinese government in 2013. Recently, China and Pakistan are celebrating a decade of friendship, economic and geo-strategic partnership.

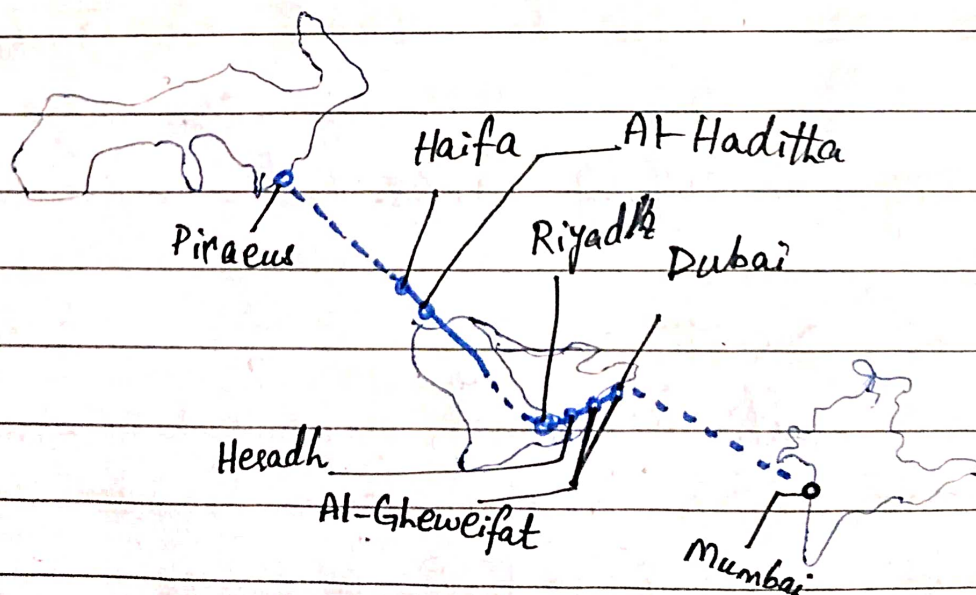
"CPEC is a testament of to the enduring friendship between China and Pakistan, and it represents a shining example of regional cooperation and connectivity." — President Xi Jinping

Currently, CPEC is in its second phase and through BRI China unfolds trillion-dollar investment. It showcases millions for 192,000 job opportunities and adds 6000 MW of power to energy sector. China emphasizes BRI's positive impact on global connectivity.

#### 4- CONFLICT IN ECONOMIC VISIONS:

Amid US-China rivalry, the BRI and IMEC represent a clash in the interests of both countries. Both countries have conflicting visions for economic development. China considers BRI as a source of infrastructure development. It is a stark contrast to the aim of IMEC, i.e. to counter China's progress.

#### INDIA - MIDDLE EAST EUROPE ECONOMIC CORRIDOR





## 5- COMPARISON OF BRI AND IMEC:

BRI and IMEC can be compared on following perspectives.

### a- Genesis and Development:

BRI, an infrastructure project of China was launched in 2013 and after a decade of project, it is still on the way to development. While IMEC is in the Memorandum of Understanding level.

### b- Regional coverage

BRI is a project in which more than **150 countries** invested huge amounts. However, IMEC's scope only revolves around **20 countries** in the Middle East and Europe.

### c- Modes of transport:

BRI has based its network on **land-based** routes. While IMEC underscores **sea** transportation by focusing on **shipping lanes** and **rail-roads**.

### d- scope of Direction:

BRI is **multi-directional**, expanding <sup>from</sup> China to Asia, Europe, Africa and America. IMEC is **uni-directional**, connecting **India to Europe**.

## e- Amount of Investment:

BRI has an investment value of around US\$8 billion and IMEC's investment is only limited to few billions, approximately \$600 Billion.

## 6- POTENTIAL FUTURE PROSPECTS OF IMEC:

Almost 90% of IMEC's projects are operational with major focus on shipping lanes and railroad connections.

### 1- Economic stability:

Economic aspects of IMEC may enhance by the wealth of participating countries.

### 2- Threat of Chinese dominance:

China's dominant position exacerbates the completion process of IMEC due to competition in the region.

### 3- Infrastructure and energy sector promotion:

Investment on part of private sector can contribute to enhanced regional integration and energy security.

## 7- FUTURE PROSPECTS OF CHINA'S BRI:

As BRI is a massive China led infrastructure project, <sup>that</sup> it aims to stretch around the globe. To date, 147 countries accounting for two-thirds of



the world's population and 40% of global GDP have signed on this project. It has initiated 6 international economic corridors: from China - Europe, China - Central Asia - Iran, China - Pakistan, China - ASEAN. It too gives way to the following prospects.

- 1- Timely access to the market
- 2- Lesser transportational cost
- 3- Alternative routes from China

## 8- CONCLUSION:

BRI and IMEC are potential economic corridors, emerged in the dynamic landscape of global geopolitics. The clash between IMEC and BRI signifies more than mere infrastructure development. It represents a struggle for global influence. The geo-political interest, regional dynamics and economic matters shape the narrative of economic corridors, influencing the world order of the future.

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