

Current Affairs

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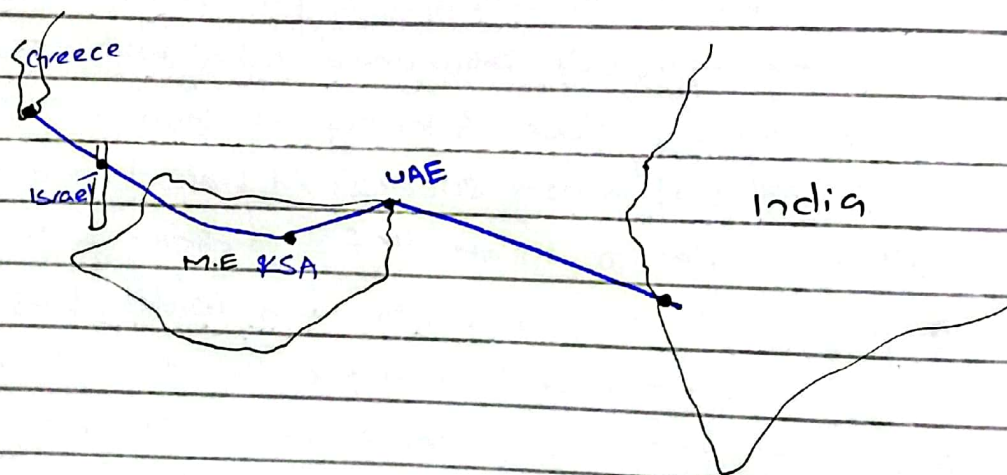
India-Middle East Europe Economic Corridor as a competitor to Belt and Road Initiative of China, Their potential and Future Aspects.

Introduction:-

India has established for itself a special position in the Indian Ocean Region. (Henry Kissinger, World Order). India is increasing its role in Asia in an attempt to prevail over China. Not long ago, USA introduced BBW while Europe introduced Global Gateway to counter China's BRI. without much success. At present, India has outlined a plan to create IMEC corridor with a potential to connect India with Middle East and Europe. A map It has a potential to create a parallel corridor. However, there will be a number of challenges. ~~A map~~ ^{is shared by} ~~UAE~~ while BRI connects existing road-networks, such networks will not be present for IMEC. Similarly, financial and regulation hurdles will be faced by IMC. ~~If looked as a~~ Both projects can however bring advantage by engaging to consolidate economic wealth and complimenting one another.

India-Middle East-Europe Economic Corridor

IMEC aims to connect India to UAE, then over the Saudi and Jordanian land to Israeli port of Haifa, and then through the Mediterranean Sea to Greek port of Piraeus. This plan was first floated by Michael Tanchum, in a paper, India's Arab-Mediterranean Corridor: A Paradigm Shift in Strategic Connectivity to Europe in 2021. Later a plan was created in sidelines of G 20 in 2023.



Purpose of IMEC :

The 4800 km proposed corridor will establish a ship and rail-network to facilitate seamless movement of goods and services throughout the corridor. Its long-term impact is anticipated to decrease transportation time and cost, stimulate job creation and enhance trade efficiency.

IMEC as a competitor to BRI :-

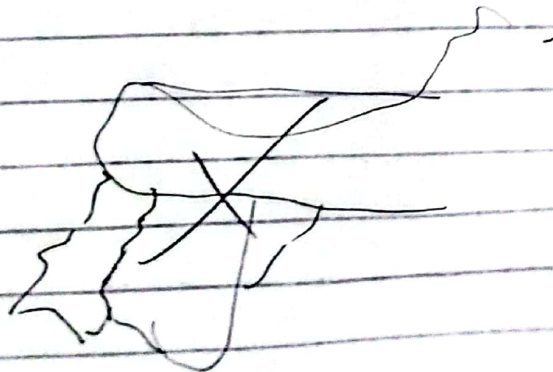
China's economic corridor, BRI was initiated in 2013. It aims to connect China to the world markets. It has a broader scope than IMEC. However, ^{IMEC} it is seen by many experts as an alternative to BRI.

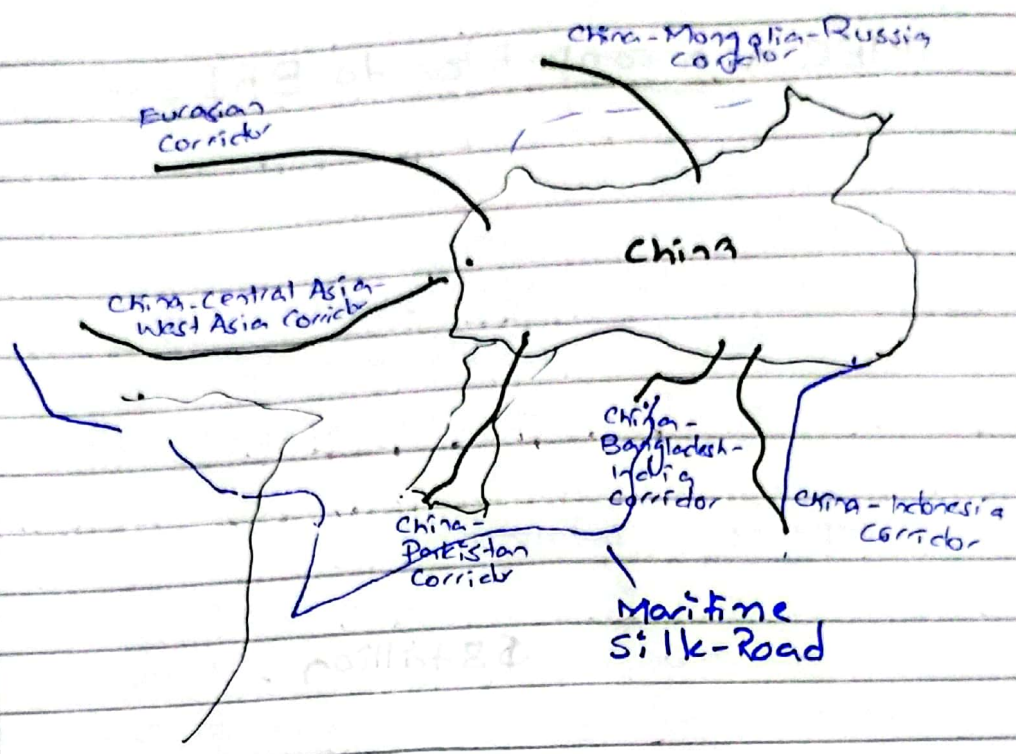
Scope of Investment:

BRI is an extensive project with a total value of \$8 trillion. It has a much wider scope as it aims to construct various land, rail and sea-routes throughout the world. On the other hand, IMEC's value, although not currently estimated, will be amounting to a few billion dollars. A smaller-scale economic corridor cannot counter a trillion-dollar project which is already under-way.

Geographical Scope:

BRI is an ambitious infrastructure will connect China with ~~are~~ 151 countries and seven regions. It includes road, rail and sea-links.





Projects:-

BRI has multi-dimensional projects from infrastructure (roads, railways, seaports) to energy projects, agriculture and industrial zones. IMEC, however, focuses mainly on shipping lines and rail infrastructure.

Financial Viability :-

IMEC has an advantage over BRI as IMEC projects involve wealthy-countries as participating nations are India, GCC states and European nations. While the financial burden of BRI lies only ^{mainly} China.

Potential of IMEC and BRI :-

Current Progress of the projects:

BRI is an extensive and multi-sectoral project and will take decades to be complete. However, many energy projects, road networks and ports, and special economic zones are complete and operational.

IMEC has a unique advantage that most of the project includes sea route which are already operational. Also, the European part is already connected to railroad network. Most of the construction in Saudi Arabia is remaining where BRI is already under way

Financial potential of the projects:

BRI is expected to generate trillions of dollars. According to World Bank, by 2030, BRI will make \$1.6 trillion in revenue. There is an immense potential to enhance trade, improve infrastructure and quality of life of countless developing nations.

IMEC will also generate billions of dollars in revenue by connecting cutting the travel time by forty-percent.

Fostering globalization :-

BRI is forging a community with shared future from conceptualization to concrete action. In the contemporary world, where states are increasingly aim to become independent, BRI is a fresh realignment with the rest of the world.

Similarly IMEC also aims to connect the three regions, India, Middle-East and Europe. It might be followed by increase in trade, free trade agreements and an overall increase in trade relations.

Welfare of the people :-

BRI has formed an unprecedented bond between China and developing nations. It indicates Chinese role in the welfare of global community. According to World Bank, BRI, if fully implemented, could increase real income between 0.7 to 2.9 %.

IMEC will also improve employment opportunities, revenues and trade by establishing a direct link with Middle East and Europe. However, its impact will be lower than that to BRI.

Potential competition ^{between} of the projects: -

While IMEC is a significant project, it cannot outcompete BRI. Countries like UAE, Saudi Arabia and Jordan are already engaged in BRI. They are most unlikely to leave one for the other. In fact, it is an opportunity to consolidate both projects and get dual benefit from both projects. Both will present complementary future advantages by connectivity.

Future Security Concerns: -

A major risk in future will be the security concern for both projects. Middle-East is currently ~~en~~ facing a major conflict and violence. Ships are taking alternative route to Red Sea. According to **BBC**, 1 in 4 vessels is changing its route from Red Sea owing to the Houthis-Israel/USA standoff in the Red Sea. Such conflicts, if not managed, will hinder future of infrastructure projects.

Energy Security Prospects: -

The Middle East is a major source of energy resources. IMEC and BRI

will benefit from it. IMEC would strengthen energy security for India and Europe while BRI will strengthen energy security for China and other 150 countries associated with BRI. Diversifying and shortening routes will reduce vulnerability to disruptions and price hikes.

Integration of BRI and IMEC:-

There is a possibility that BRI and IMEC will integrate themselves and position themselves as global crossroads. Both can mutually get benefit from one another and consolidate advantage from one another. This will enable efficient coordination and rapid execution of projects.

Conclusion:-

IMEC and BRI represents global connectivity. While both are deemed as competitors whereas there is not much room for competition. They can together foster economic growth, enhance trade and promote cooperation among international community.

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KSA-Iran positive implications on Middle-East and impacts on Pakistan.

Introduction :-

The post-Western and post-hegemonic order having China at the center (John Ikenberry). China is slowly and steadily establishing itself as a major player in most of the regions of the world. On a similar occasion, on March 2023, China brokered ties between the archrivals, Saudi Arabia and Iran. This restoration of diplomatic and economic ties have implications on the region and the world. It can ease hostilities in the entire Middle Eastern region and potentially stop the Palestinian genocide. It will also help boost trade and economic connectivity. Furthermore, it will also impact Pakistan. Iran is Pakistan's immediate neighbor, and Saudi Arabia is its long standing ally. It will have major strategic and economic benefits for Pakistan. It will also strengthen Pakistan's position in Middle East.

Implications on Middle East:-

Easing Security Concerns:-

The previously competing interests have compounded to devastating wars in Yemen and Syria, and instability in the entire region. Such brutal war in Yemen and Syria can be wound down. Also threats from proxies will diminish, easing security concerns in the region.

Resolving territorial issues:-

As hostility will decrease, the regional countries can resolve their territorial issues through regional mechanism. For instance, Iran has a spat over Gulf Islands with UAE and a dispute with Saudi Arabia and Kuwait over gas fields. These issues can be resolved through dialogue.

Lessen tensions in broader Gulf-region:-

The Saudi-Iran rapprochement will help lessen instability and tensions in the Gulf region. UAE, Kuwait and Oman have welcomed this move towards connectivity and stability. They have lauded the move, and will likely establish friendly-ties with Iran.

Reduce in Sectarian tensions:-

The sectarian-rift between Saudi Arabia and Iran will be ~~ester~~ cooled down. Consequently, the Gulf region can take collective action against sectarian proxies like IS. Similarly, both states can curtail such proxies to interfere in the region.

Resolve Palestinian Issue :-

Through this rapprochement, there is a potential for the entire region to become a voice for Palestinians. The ~~the~~ Israeli brutality has killed around 23,000 Palestinians since October 7, 2023. A collective Muslim voice can lobby for an immediate ceasefire and a permanent two-state solution in the long-run. Similarly, they can put sanctions on Israel and their facilitator states unless they resolve this conflict.

Prevent normalization^{of} ties with Israel:-

Middle-Eastern countries are increasingly normalizing their ties with Israel with no regard to Palestinian problems. With KSA-Iran normalization, it is unlikely that the wider

region will recognize Israel without demanding
cessant the two-state solution. So there
will be hope for resolution of Palestinian
issue.

Economic Integration :-

In the absence of conflict, peace
will prevail, laying foundation for economic
cooperation. Middle-East can further
connect itself to world markets through
BRI and rail-road links. They can boost
trade within the region and in the with
the rest of the world.

Collective naval security :-

With Israel-Palestine conflict,
red sea have become increasingly
militarized. Around 10% of world trade
passes through Red Sea and 80%
of hydrocarbon trade passes through
Strait of Hormuz. In order to ensure
smooth trade, the regional countries
can provide security to trading ships.

Implications on Pakistan :-

Improve Energy Security of Pakistan :-

KSA-Iran rapprochement is very important from perspective of energy security of Pakistan. Pakistan faces major energy crunch and has to bid to secure "spot" LNG cargos. After this rapprochement, Pakistan can get LNG from Iran thereby reducing costs and time. Thus Pakistan can reap benefits of increased economic cooperation from both states.

Economic Connectivity with Middle East :-

Pakistan, Iran and KSA are a part of BRI. Pakistan can be connected to Iran via Gwadar and rest of Middle East through Iran. It will help reduce cost incurred in trade. Also, these countries can invest in Pakistan's CPEC and Special Economic Zones.

Economic cooperation through SIFC :-

Pakistan's Special Investment Facilitation Council (SIFC) aims to get international investment mainly from GCC and China. It has already signed MOUs of billion dollars deal with UAE and Kuwait.

Ras Saudi Arabia, Iran and rest of GCC can will possibly invest in Pakistan through SIFC too.

Ease in Sectarian tensions:-

Pakistan will not be pulled in a tug of war between Iran and KSA. Also As Pakistan hosts both Shite and Sunni populations, KSA-Iran ties will be no longer compel Pakistan to take sides, and there will be minimum sectarian violence. This will foster peace among the two sects.

Trilateral counter-terrorism cooperation:-

Terrorism and extremism grips all three countries. Collective efforts can help them to counter-terrorism through collective means including intelligence sharing and counter-terrorism efforts.

Other implications

- ↳ Students exchange
- ↳ Pilgrimage policies
- ↳ Tackle Climate Change & Cooperation in renewable energy.