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TOPIC OF THE DAY (DATE: 15.09.2023)

India – Middle East – Europe Economic Corridor

WHY IN NEWS?

During the G20 Summit in New Delhi, a **Memorandum of Understanding (MoU)** was signed between the Governments of India, the US, Saudi Arabia, the European Union, the UAE, France, Germany and Italy to establish the India – Middle East – Europe Economic Corridor (IMEC)

WHAT Is the India – Middle East – Europe Economic Corridor (IMEC)?

- The project is part of the *Partnership for Rail and Shipping Corridors Global Infrastructure Investment (PGII)*.
- This project aims to strengthen the **infrastructure in developing countries**.
- In this project, G-7 countries will come together and make a collaborative effort.
- The PGII project is being seen as **an alternative to China's Belt and Road Initiative**.
- This corridor will connect Europe, the Middle East, and Asia through railways and the sea.

The key objectives of this ambitious project are **to connect commercial hubs, support the development and export of clean energy, and expand undersea cables, energy grids, and telecommunication lines**

Corridors

- The proposed corridor will comprise two separate corridors, the **Eastern Corridor**, and the **Northern Corridor**.
- The former will connect India to the Arabian Gulf and the latter will connect the Arabian Gulf to Europe.



PURPOSE BEHIND THE PROJECT

- The arrangement will include a **railway route** that, upon completion, will provide a **reliable and cost-effective cross-border ship-to-rail transit network** to supplement existing maritime and road transport routes. This will enable goods and services to transit to, from, and between India, the UAE, Saudi Arabia, Jordan, Israel, and Europe.
- Along the railway track, the members want to lay a **cable for energy and digital connectivity**, as well as a pipe for clean hydrogen export.
- This corridor will safeguard **regional supply chains**, boost trade accessibility, and enable a greater emphasis **on environmental, social, and governance consequences**.
- It will be designed to increase efficiencies, save costs, promote economic cohesion, create jobs, and reduce greenhouse gas emissions, leading to a radical integration of Asia, Europe, and the Middle East.
- The corridor **“fills a damaging global gap and enables greater prosperity and better connectivity for key regions around the world”**.
- The project will allow the countries involved to play a key role in the “global connective tissue of commerce, of digital communications, of energy.

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BENEFITS OF IMEC TO INDIA

- The India-Middle East-Europe Economic Corridor will help in ***promoting food security and supply chain between developing countries***. According to the MoU, this corridor will include an East Corridor connecting India to the Arabian Gulf and a North Corridor connecting the Arabian Gulf to Europe.
- The project will ***feature a railway network that will complement the existing sea and road routes***.
- This project is being seen as an alternative to China's huge Belt and Road Initiative Project.
- Under the Belt and Road Initiative project, China tried to connect most parts of the world with China's economy.

Crucial Geographical Advantage for India

- The 'India-Middle East-Europe Shipping and Railway Connectivity Corridor' (IMEE EC) holds immense promise for India, firmly positioning it along the trade ***route spanning South East Asia to the Gulf, West Asia, and Europe***.
- This strategic placement offers India substantial advantages, both ***strategically and economically, and opens up substantial opportunities within the logistics and transportation sector***. Furthermore, it offers a more efficient and cost-effective transit option, bolstering India's trade and export activities.

Geo Political Significance of India Middle East Europe Corridor

- ***Counter to Chinese Belt and Road Initiative (BRI)*** – India Middle East Europe Corridor (IMEC) is an ambitious counter to China's BRI project. BRI has created a '***debt trap***' and has diminished the sovereignty of member countries. It will be a counter to the expansionist policies of China.
- ***Counter to China's growing geopolitical influence in Middle East- China's geopolitical influence has been growing in the Middle East region***. China has helped to broker a deal between Saudi Arabia and Iran. Saudi Arabia and the UAE-both old allies of US-have been strengthening their ties with China. It also provides an opportunity to ***counter the growing Chinese geopolitical influence***.
- Reduced geopolitical ***dependence on Suez Canal and red sea*** – Suez Canal has been witnessing congestions in the recent times. Further the Red Sea with straits of Bab-al-Mandeb and Gulf of Aden is being militarised by China through its militarised naval bases like the Port of Doraleh. It will open an alternate route for transportation.

What is the Partnership for Global Infrastructure Investment (PGII)?

- The infrastructure plan was first announced in ***June 2021 during the G7*** (or Group of Seven) summit in the UK.
- In 2022, ***during the G7 summit in Germany, the PGII was officially launched as a joint initiative to help fund infrastructure projects in developing countries*** through public and private investments.
- PGII aimed to mobilize nearly ***\$600 billion from the G7 by 2027*** to invest in critical infrastructure that improves lives and delivers real gains for all of our people ***G7 launched PGII to counter the China's BRI Initiative***. **Four Priority Pillars of PGII:** *Tackling the climate crisis and ensuring global energy security, Bolstering digital information and ICT networks, Promoting gender equality and equity, and Build and upgrade the global health infrastructure.*