

REDRAWING TRADE ROUTES: IMEC AND THE FUTURE BEYOND THE RED SEA

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Abstract

The India-Middle East-Europe Economic Corridor (IMEC) is a transformative initiative launched at the 2023 G20 Summit, aimed at reconfiguring global trade routes amidst rising geopolitical tensions, particularly in the Red Sea region. Spanning over 4,800 km, IMEC connects India to Europe via the UAE, Saudi Arabia, Jordan, and Israel through a multimodal network of ports, railways, and pipelines. The corridor emerges as a strategic response to the volatility of existing maritime chokepoints like the Bab el-Mandeb and the Suez Canal, which have been destabilized by regional conflicts and piracy. Beyond reducing transit times and costs, IMEC carries significant geopolitical weight, offering a democratic and sustainable counter to China's Belt and Road Initiative. It strengthens India's ties with the Gulf, aligns with Europe's Global Gateway strategy, and enhances US efforts to stabilize West Asia. However, implementation faces critical challenges, including unclear financial commitments, regulatory mismatches, and political opposition from non-participating actors like

Turkiye. Despite these obstacles, IMEC holds the potential to usher in a new era of resilient, multipolar connectivity that reshapes trade, energy, and diplomatic alignments between Asia, the Middle East, and Europe.

Introduction

The Red Sea has emerged as one of the most high tension trade corridors in contemporary times. In an era marked by shifting geopolitical issues, these corridors and chokepoints like the strait of Bab el-Mandeb serve not just as a way to further economic relations, but as strategic tools of influence, a theatre for competing power struggles in an already struggling arena. The India-Middle East-Europe Economic Corridor represents an attempt to redraw the global map of commerce, unveiling a new pathway so as to avoid a continuing crisis. The blueprint features a multi-modal infrastructure network connecting India to Europe via Middle Eastern countries, namely the United Arab Emirates (UAE), Saudi Arabia, Jordan and Israel.¹

It integrates railway lines, maritime pathways, energy pipelines to avoid risk areas like the Red Sea. At the very base, the IMEC is an attempt to redirect a major global trade way as regional conflicts threaten maritime security. The corridor will span over 4,800 km and allow easy access to local industry experts to expand their reach not just in their own nation, but beyond borders as well.² Advocates of this initiative believe that it can reduce time taken to trade between south Asia and Europe by 40% along with a 30% decrease in transit costs.³ As traditional routes become more volatile, IMEC emerges as a viable and safer logistical solution.

Contextual Background

The Red Sea occupies a strategically vital position, stretching from the Suez Canal in the north to the Strait of Bab el-Mandeb in the south, where it opens into the Gulf of Aden near the Horn of Africa. An upwards of 10% of the world's trade passes through this area, amounting to over \$1 trillion making it not only excessively important but also extremely busy.⁴ The sea is surrounded by both Asian and African nations, with big nations like China emerging as a critical player keen on monopolising on the

existing situation, which can also be seen from the People's Liberation Army (PLA) successful attempt at establishing a base in Djibouti.⁵

Yemen stands at the helm of this conflict, with the Houthi blockade rerouting commercial traffic around the Strait of Good Hope, racking up war insurance along with time and fuel costs. This growing insecurity, along with the sudden resurgence of Somali piracy has exposed the vulnerability of critical chokepoints like Bab el-Mandeb, where even temporary disruptions can have huge effects on global supply chains. These disruptions have revealed the dependency the world has on these maritime chokepoints, as the slightest mishap can shake the entire process of trade across continents. Major shipping companies have already rerouted many of their vessels, but this shift comes at a significant cost. The alternative route adds over 6,500 kilometers to the voyage, extending transit times by nearly two weeks and driving up fuel and operational expenses by over \$1 Million.⁶

With the Houthis attacks pushing vessels to travel closer to Somalia's as well as Somaliland's waters to avoid the conflict ridden Yemeni coastline in the Gulf of Aden, Somali piracy has seen a revival since 2024. With the Houthi attacks giving the pirates a more open arena to carry out their maritime crimes, the rerouting of ships also increased their chances of encountering a pirate attack in the Western Indian Ocean as well. The Indian Ocean High Risk Area (HRA) was removed at the beginning of 2023, just months before the area became once again one of the most dangerous maritime corridors globally.⁷

The strait of Bab-el Maneb proves to be especially strategic, with only about 32 km of water separating between Djibouti on the African Coast and Yemen on the Arabian Peninsula, any disruption here can instantly increase global oil prices.⁸ Its close proximity to already unstable regions such as Somalia and Yemen make it very susceptible to the influence of non-state actors, as the world has already witnessed. Furthermore, the littoral nations surrounding the Red Sea gain valuable capital from having ports and harbours for commercial ships to dock, which enhances the country's economy and promotes commerce. However, there has been a highly visible need to circumvent high-risk waters while deepening infrastructure cooperation across stable and economically ambitious states.

The India-Middle East-Europe Economic Corridor

The IMEC was launched at the G20 Summit in New Delhi in 2023 and thereby a Memorandum of Understanding (MoU) was signed by all the participating nations namely India, UAE, European Union, USA, Saudi Arabia, France, Germany and Italy.⁹ The pathway for IMEC has been clearly outlined. Firstly, the Corridor can be divided into two parts, the Northern and Eastern Corridors.

The East Corridor focuses on trade between India and the Middle East via the Persian Gulf. Major ports included in this initiative in India are the Mundra and the Deendayal Ports in Gujarat and the Jawaharlal Nehru Port in Mumbai.¹⁰ The latter is the largest container port in the country and handles the majority of India's containerized trade. The vessel then travels to the various ports in the United Arab Emirates (UAE) like the Fujairah and Jebel Ali ports from where the cargo is transported to overland through the rail networks in Saudi Arabia. The trains will pass through towns like Ghawifat at the Saudi-UAE border or the city of Haradh which lies on the Saudi North-South Railway Line. The IMEC envisions a robust railway system that will go through Saudi Arabia and then connect it to Jordan where it will be further ending at Israel, culminating at the port of Haifa on the Mediterranean Coast.¹¹

The North Corridor of IMEC begins at the Port of Haifa in Israel, serving as a crucial link between the Middle East and European markets. From Haifa, cargo will once again be transported via sea, crossing the Mediterranean to reach major European ports.¹² These include the Port of Piraeus in Greece, which is Athens' primary port and one of the largest in Europe, the Port of Messina located on the northeastern coast of Sicily along the strategic Strait of Messina, and the Port of Marseille Fos in France, a vital hub for France's maritime trade and economy.¹³ These ports are well integrated into Europe's broader transport network, ensuring efficient distribution across the continent.

All of this coming together, the maritime routes and overland component, forms a critical artery that not only reduces dependency on the increasingly vulnerable passageways like the Suez Canal and chokepoints like Bab-el Mandeb but also enhances supply chain resilience across two continents. By integrating shipping, rail

and road networks, IMEC creates a synchronized logistical flow that promises faster delivery, reduced freight costs, and enhanced trade connectivity across regions that historically lacked such unified infrastructure.

Geopolitical Implications of IMEC

The MoU for IMEC was signed under the backdrop of the absence of Chinese President Xi Jinping at the G20 Summit, this plays into the strategic relevance of the corridor as well. Currently, both Saudi Arabia and the UAE have signed comprehensive strategic agreements with China, as well as being part of the Belt and Road Initiative (BRI).¹⁴ Being part of both the IMEC and OBOR gives the gulf nations a chance to stand at the crossroads of Eurasia relations, increasing their relevance as a geostrategic hotspot for trade as well as allowing them to take pathways that reduce their countries' dependency on the oil market.

At a time when China's Belt and Road Initiative is facing growing criticism over debt diplomacy, environmental concerns, and lack of transparency, the IMEC offers a counter-model, one that emphasizes multilateralism, shared ownership, and sustainability. Unlike the BRI, which is predominantly led and financed by China, IMEC involves multiple stakeholders with democratic governance structures and is backed by institutions with higher accountability standards. This makes IMEC an attractive alternative for nations seeking infrastructure development without becoming overly reliant on a single power.

Moreover, the IMEC is strategically aligned with the interests of Western powers. The United States, in particular, sees the corridor as a way to counter China's expanding influence in the Global South. By connecting India, the Middle East, and Europe, three major economic regions, the IMEC not only facilitates trade but also strengthens strategic partnerships. It provides an avenue to solidify India's role as a leading power in the Indo-Pacific while reinforcing the economic integration of Middle Eastern partners with the West. India has since the beginning of BRI expressed concerns over the ramification of its implementation and the lack of accountability for its projects. One key irritant of this is the China-Pakistan Economic Corridor (CPEC), the pathway for

this corridor passes through Indian land which is currently under Pakistani occupation and India has at several instances denounced its legitimacy.¹⁵

This corridor also directly plays into the European Union's Global Gateway Strategy. Although the blueprint for this plan doesn't explicitly mention China, it is seen as Europe's response to the increasing expansion BRI is having in Africa.¹⁶ Out of the 300 Billion Euros, Team Europe has put aside over 150 Billion Euros in African investments alone.¹⁷ Another major advantage of this for Europe is that it increases its ties to the Middle East, which it worries is coming under China's expansion in Asia. However, the nations like Saudi Arabia and UAE have kept relations with Russia, China and the western powers in the aftermath of the Ukraine invasion. The Gulf nations also have major stakes in maritime development of ports in the Mediterranean and Indo-Pacific, growth which can greatly benefit European trade.

The paradigm shift in the United States' trade policies and the imposition of high amounts of tariffs is also one of the reasons that the European states are keen on the realisation of the project, it will give them a way out of major American dominated supply chains and reduce overdependency on the transatlantic trade route.¹⁸ As the US increasingly turns inward with its protectionist policies and growing emphasis on reshoring industries, European countries are looking to diversify their trade partners and logistical routes. The IMEC presents an opportunity to bolster economic connectivity with rapidly growing economies such as India and resilient Middle Eastern partners, allowing for a multipolar commercial network that is less vulnerable to policy shocks from Washington or Beijing.

The Suez Canal blockade in 2021 laid down a dire need for the US to revamp its priorities and figure out a new pathway for a swift trade route.¹⁹ The blockade cost not just millions of dollars in loss for shipping companies and disrupted supply chains, but also made nations realise how easily these maritime routes can be destabilised. India and Saudi Arabia have emerged as major hubs for IMEC, supplying logistics and production distribution; American Import-Export companies then gain direct access to these rapidly expanding locations which are key to global trade routes. The US also has political stakes in this corridor, with the continuing Israel-Hamas conflict, the United States is attempting to normalise the relations between Israel and the GCC countries, by incorporating the country into this initiative. This aligns directly with the

Abraham Accords signed in 2020, named to highlight the common historical and spiritual roots of the Abrahamic religions, and marking a new chapter of normalization and cooperation between Israel and key Arab states.²⁰

So far, only the UAE and Bahrain have signed the accords, along with other non GCC nations such as Sudan and Morocco.

India's role in IMEC

India's role in this initiative is extremely important, not just as a major originating point for the trade corridor, but also as a strategic actor reimagining its connectivity to both Europe and West Asia. India views IMEC as a critical pathway to secure its maritime trade against the backdrop of increasing hostile non-state actors in the red sea and surrounding areas. This also comes at a time when India is fast moving towards its goal to be a developed nation by 2047, as is shown by the Vikasit Bharat initiative.²¹

As stated before, the IMEC has unofficially been seen as an alternative to BRI and India has long since been working towards providing a viable option to nations particularly in Africa and West Asia where both the Asian giants have been vying for influence. Additionally, by participating in a US and EU backed initiative, India reinforces its identity as a democratic and reliable development partner, an image it is keen to project in its pursuit of global leadership roles, including a permanent seat at the UN Security Council. India's Adani group is also a 70% stakeholder of the Israeli Haifa port, a key port in the corridor.²² This large acquisition shows India's commitment to the initiative, as well as its readiness to invest in infrastructure development projects beyond its borders.

This ties into India's goal of being a global south leader, as evident from the 'voice of the global south' summits which aims to establish a platform for the developing countries to voice their concerns and provide a valuable stage for collaboration for South-South cooperation.²³ Another core reason India is invested in the success of IMEC is that the corridor provides a platform to further deepen its relations with the GCC countries, while aligning with its broader policy of strategic autonomy. This approach has enabled India to maintain strong ties with Israel, highlighted by its involvement in the Haifa Port and various other engagements, while simultaneously

upholding its long-standing support for the Palestinian cause and the two-state solution.

With the induction of electricity grids, clean hydrogen pipelines, and undersea cables into the India-Middle East-Europe Corridor (IMEC), the initiative also marks a shift in India's foreign policy from traditional trade diplomacy to a forward-looking, tech-enabled connectivity strategy.²⁴ These components not only aim to facilitate trade but also reflect India's growing ambitions to be a key player in global energy transition efforts. India's leadership in the International Solar Alliance and its commitment to achieving net-zero emissions by 2070 further align with IMEC's focus on sustainable infrastructure.²⁵

Challenges ahead

Despite looking like a seemingly flawless idea on paper, many obstacles lay ahead of the corridor's implementation, a major one being the funding. The participating nations have pledged over \$600 Million worth of investments into the initiative, however the MoU signed by all the member nations does not directly specify any monetary obligations for this corridor on any nation, and does not evenly divide it among them either.²⁶ Instead, the majority of the funding is expected to come from G7's Partnership for Global Infrastructure and Development.²⁷ Additionally, without clearly defined financial commitments, project timelines may be stretched, and accountability diluted. The lack of binding fiscal responsibility could also deter private sector confidence, making it harder to mobilize the scale of investment required for large-scale infrastructure development across three regions.

The question of Türkiye as a significant geopolitical challenge arises as Ankara has openly expressed dissatisfaction with IMEC, viewing it as a bypass that undermines its strategic position as a transit hub between Asia and Europe.²⁸ Türkiye's president has largely dismissed the initiative, stating that there can be no corridor without Türkiye.²⁹ This comes at a time when India-Türkiye relations have witnessed a sharp downturn, particularly after Türkiye criticized India's legitimate, precise, and proportionate response to the Pahalgam attacks.

Another significant challenge lies in the differing national policies and regulatory frameworks of the participating countries. Each nation has its own set of laws, standards, and bureaucratic procedures governing infrastructure development. Coordinating construction efforts across such diverse legal and administrative systems can create considerable friction.³⁰ The presence of bureaucratic red tape, overlapping obligations, and a lack of a unified framework for cross-border infrastructure planning may delay implementation. Without a coordinated mechanism to streamline approvals and align technical standards, the collaborative execution of IMEC could face substantial procedural hurdles.

In the end, the India-Middle East-Europe Economic Corridor represents a strategic shift in how nations are choosing to trade and cooperate, especially in a world where traditional maritime routes like the Red Sea are becoming increasingly volatile. For India, it is a way to strengthen ties with the Gulf and Europe, boost its global south leadership, and offer an alternative to China's Belt and Road. For Europe, it secures access to energy and markets while advancing its Green Deal priorities. And for Gulf nations, it reinforces their growing role as connectivity hubs between East and West. Still, the road ahead is far from smooth. Differing national infrastructure regulations, red tape, political frictions like those between India and Türkiye, and vague financial commitments all stand in the way. But if these hurdles are addressed through honest dialogue and long-term planning, IMEC has the potential to reshape regional trade and create more balanced multipolar cooperation in a time of global uncertainty.

DISCLAIMER

The paper is author's individual scholastic articulation and does not necessarily reflect the views of CENJOWS. The author certifies that the article is original in content, unpublished and it has not been submitted for publication/ web upload elsewhere and that the facts and figures quoted are duly referenced, as needed and are believed to be correct.

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