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INDIA AND EUROPE BRIDGING CONTINENTS THROUGH IMEC

EDITED BY
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India and Europe: Bridging Continents Through IMEC

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Designed by Mukesh Rawat

INDIA AND EUROPE
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Executive Summary

Reconnecting India and Europe in an Era of Fragmentation

In a world adrift, marked by conflict and fragmentation, India and Europe represent a rare example of intensifying cooperation and geoeconomic convergence. As two of the largest economies and democracies in the world, the European Union (EU) and India will need to craft new, interoperable systems and instruments for economic interdependence to advance their convergence.

As this volume shows, the successful implementation of the India–Middle East–Europe Economic Corridor (IMEC) as an Indo-Atlantic connectivity partnership between India and Europe will require far more than investments in ports, railways, and logistics infrastructure. It will depend equally on policy coordination, regulatory interoperability, digital integration, institutional governance, financial structuring, and sustained political engagement across all participating geographies and beyond, including adjacent regions: from Southeast Asia to the North Atlantic and from Central Asia to North and East Africa.

IMEC emerged amid intensifying geopolitical fragmentation and growing concern about the resilience of global trade, energy, and digital networks. Since its announcement in 2023, the war in Ukraine, conflict in Gaza, disruptions in the Red Sea, and the Strait of Hormuz crisis have exposed the risks created by concentrated trade routes and strategic chokepoints. In parallel, India and Europe have deepened economic and strategic cooperation through the conclusion of negotiations on the India–EU Free Trade Agreement (FTA) and a broader agenda focused on supply-chain resilience, connectivity, and economic security.

In this context, IMEC has evolved from a connectivity initiative into a wider resilience project. While originally conceived as a multimodal corridor linking India, the Gulf, and Europe through transport, energy, and digital infrastructure, its strategic significance today extends beyond logistics. The corridor has become a test case for whether India, Europe, and their regional partners can build new frameworks for economic interdependence capable of operating in an increasingly unstable international environment.

The central conclusion of this volume is that India and the European Union should not pursue IMEC as a mere transport corridor but as a resilient economic network connecting India, Europe, and West Asia through interoperable infrastructure, energy systems, digital platforms, investment mechanisms, regulatory cooperation, and shared security arrangements.

From Corridor to Economic Network

IMEC should not be treated as a single route, a geopolitical symbol, or a substitute for the Suez Canal. It should be developed as a flexible and adaptive network that provides redundancy, optionality, and resilience.

Developed independently across different geographies and sectors, the contributions reflect European, planning, logistics, and strategic perspectives, yet converge on a conclusion: IMEC should provide route diversification, multimodal redundancy, interoperable systems, and wider regional integration. Together, these elements support a broader conception of IMEC as an economic network rather than a transport line. The same holds true for India's interests in IMEC.

This network logic applies across multiple domains. Physical infrastructure requires alternative port access points, complementary maritime gateways, and redundancy in routing. Digital systems require interoperable customs platforms, payments architecture, and data standards. Energy connectivity requires interconnected electricity grids, green-hydrogen corridors, and cross-border regulatory cooperation. Security depends on coordinated approaches to maritime protection, critical infrastructure resilience, and crisis response.

These principles provide the basis for assessing IMEC's economic, security, energy, climate, and political dividends. New Delhi, Brussels and European capitals will have to coordinate policy across these different domains.

The Four Strategic Dividends of IMEC

This report shows that IMEC could serve as a catalyst to reconnect Europe and India after decades of divergence and disruption. From a geoeconomic perspective, IMEC should form the strategic heart of a broader India-EU connectivity partnership towards linking the Indian and Atlantic oceans. The success of this Indo-Atlantic economic initiative rests on four dividends.

Economic Dividend

The economic case for IMEC rests on reducing transit time, uncertainty, and trade frictions. Modelling presented in this volume suggests that a 40% reduction in transit time between India and Europe could add approximately US\$3.535 billion to India's Gross Domestic Product (GDP). The gains would extend across manufacturing, electronics, textiles, automotive components, and selected agricultural exports.

Beyond direct trade gains, IMEC could strengthen regional value chains, improve competitiveness, support implementation of the India-EU FTA, and accelerate integration with Gulf and European markets.

Security Dividend

The corridor's strategic relevance has increased because of repeated disruptions affecting maritime trade routes. IMEC offers an opportunity to diversify logistics pathways, reduce exposure to chokepoints, strengthen maritime cooperation, and develop coordinated approaches to infrastructure protection. EU-India cooperation in the Gulf and Western Indian Ocean demonstrates the growing importance of this security dimension.

Energy and Climate Dividend

The corridor could support renewable-energy trade, electricity interconnections, green-hydrogen exports, and wider climate cooperation between Europe, the Gulf, and South Asia. Several contributions emphasise that energy connectivity should be treated as a core pillar of IMEC rather than an ancillary component. Climate resilience, water cooperation, and cross-border energy systems increasingly form part of the corridor's long-term value proposition.

Political and Stabilisation Dividend

IMEC's political significance extends beyond its economic effects. The Peace Triangle framework

suggests that shared infrastructure, economic interdependence, climate cooperation, and security coordination could create incentives for cooperation among Israel, Palestine, and Jordan. This contribution would be enabling rather than determinative: infrastructure cannot resolve political conflicts, but it can help create conditions in which agreements are more sustainable. As the first global connectivity partnership between India and the EU, IMEC also offers a platform for New Delhi and Brussels to coordinate and align their economic and security policies for the Middle East and adjacent regions.

The Missing Layer: Governance

One of the clearest findings of the compendium is that IMEC's primary challenge is no longer conceptual but institutional. Political support is significant, infrastructure plans are advancing in several jurisdictions, and digital pilots have begun; however, implementation remains fragmented because the corridor lacks a common framework for coordinating governments, financiers, regulators, technical experts, and private-sector actors.

The immediate requirement is a common execution framework that addresses governance, project preparation, financing coordination, regulatory interoperability, and implementation. Such a framework must connect governments, financiers, regulators, technical experts, and private-sector actors around agreed priorities and delivery mechanisms.

Proposed solutions converge around three institutional innovations:

- National Sherpas or envoys to coordinate implementation;
- Stronger domestic planning mechanisms, including Gati-Shakti Transport and Logistics Planning and Research Authority (GTLPCA)-type frameworks;
- Track 1.5 structures to bridge expert research and formal decision-making.

The broader lesson is that physical connectivity will deliver corridor-wide benefits only if participating countries also make their governance, regulatory, and implementation systems interoperable.

The Digital and Regulatory Challenge

IMEC's digital foundations are as important as its physical infrastructure because trade, logistics, customs, payments, and investment increasingly depend on the secure movement of information.

Regulatory fragmentation could prevent the corridor's physical assets from functioning as an integrated system. Divergences between India's Digital Personal Data Protection Act (DPDPA) and Europe's General Data Protection Regulation (GDPR) create uncertainty around logistics data sharing, while different approaches to digital identity, payments, data governance, and privacy complicate interoperability. Fragmented customs systems, differing digital-trade provisions, and uncertainty over subsea-cable governance add further constraints.

Yet the volume also identifies pathways forward. Expansion of Master Application for International Trade and Regulatory Interface (MAITRI) as a corridor-wide customs interface, greater use of interoperable payment platforms, Project Nexus integration, trusted data-transfer arrangements, and deeper cooperation through the EU-India Trade and Technology Council all provide opportunities for building a shared digital layer.

A Six-Point Action Agenda

This volume identifies six mutually reinforcing priorities for Indian, European, and regional policymakers. Together, they provide an implementation agenda spanning corridor design, institutional coordination, digital interoperability, investment, energy and climate cooperation, and security.

- **Develop IMEC as a network rather than a fixed route.** Build redundancy through multiple ports, complementary corridors, and flexible routing options.
- **Establish formal architecture for implementation.** Create Sherpa mechanisms, structured ministerial coordination, and Track 1.5 execution frameworks that can convert political commitments into actionable programmes.
- **Accelerate interoperability.** Expand MAITRI, harmonise customs processes, improve payment connectivity, and facilitate secure data exchange.
- **Create a project preparation and investment platform.** Mobilise blended finance through the EU's Global Gateway, development finance institutions, sovereign wealth funds, and private capital.
- **Integrate energy and climate objectives.** Advance renewable-energy exports, electricity interconnections, green hydrogen, and climate-resilience partnerships.
- **Build a common security and resilience framework.** Strengthen maritime cooperation, infrastructure protection, subsea-cable resilience, cybersecurity coordination, and crisis-management arrangements.

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Abbreviations

ADB	Asian Development Bank
ADP	Abu Dhabi Ports
AFD	Agence Française de Développement
AI	Artificial Intelligence
API	Application Programming Interface
ASEAN	Association of Southeast Asian Nations
AU	African Union
BCAS	Bureau of Civil Aviation Security
BCR	Binding Corporate Rule
BIG-B	Bay of Bengal Industrial Growth Belt
BIS	Bank for International Settlements
BRI	Belt and Road Initiative
CBAM	Carbon Border Adjustment Mechanism
CBDC	Central Bank Digital Currency
CCTS	Carbon Credit Trading Scheme
CEPA	Comprehensive Economic Partnership Agreement
CER	Certified Emission Reduction
CETA	Comprehensive Economic and Trade Agreement
CISF	Central Industrial Security Force
CJEU	Court of Justice of the European Union
COVID-19	Coronavirus Disease 2019
CRIMARIO	Critical Maritime Routes Indo-Pacific
CSEP	Centre for Social and Economic Progress
CSW-CERTEX	EU Customs Single Window Certificates Exchange
DEPA	Data Empowerment and Protection Architecture
DFC	United States International Development Finance Corporation
DFI	Development Finance Institution
DG MOVE	Directorate-General for Mobility and Transport
DG	Directorate General
DPDPA	Digital Personal Data Protection Act, 2023
DPI	Digital Public Infrastructure
DPIIT	Department for Promotion of Industry and Internal Trade
DPP	Digital Product Passport
ECB	European Central Bank
ECIPE	European Centre for International Political Economy
EDPB	European Data Protection Board
ESPR	Ecodesign for Sustainable Products Regulation
EU NAVFOR	European Union Naval Force

EXIM	Export–Import
FDI	Foreign Direct Investment
FES	Friedrich-Ebert-Stiftung
FTA	Free Trade Agreement
G20	Group of Twenty
G7	Group of Seven
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
GTAP	Global Trade Analysis Project
GTE	Group of Technical Experts
GTLPR	Gati-Shakti Transport and Logistics Planning and Research Authority
I2U2	India–Israel–United Arab Emirates–United States
ICPC	International Cable Protection Committee
IFI	International Financial Institution
IIIT-B	International Institute of Information Technology Bangalore
IMEC	India–Middle East–Europe Economic Corridor
INSTC	International North–South Transport Corridor
IoT	Internet of Things
IPEF	Indo-Pacific Economic Framework for Prosperity
ITU	International Telecommunication Union
JNPA	Jawaharlal Nehru Port Authority
JSIEC	Joint Statement Initiative on E-Commerce
LDB	Logistics Data Bank
LGPD	Lei Geral De Proteção De Dados
LNG	Liquefied Natural Gas
MAITRI	Master Application for International Trade and Regulatory Interface
MCC	Model Contractual Clause
Mercosur	Southern Common Market
MIIM	Make In India Mittelstand
MOSIP	Modular Open-Source Identity Platform
MoU	Memorandum of Understanding
MRA	Mutual Recognition Agreement
MRV	Monitoring, Reporting, and Verification
MSME	Micro, Small, and Medium-Sized Enterprise
NATO	North Atlantic Treaty Organization
NPCI	National Payments Corporation of India
NSCS	National Security Council Secretariat
NTM	Non-Tariff Measure
NTSA	National Transport Security Authority

OECD	Organisation for Economic Co-operation and Development
ONDC	Open Network for Digital Commerce
ORF	Observer Research Foundation
PDPC	Personal Data Protection Commission
PGII	Partnership for Global Infrastructure and Investment
PLI	Production-Linked Incentive
RBI	Reserve Bank of India
RCEP	Regional Comprehensive Economic Partnership
RITES	Rail India Technical and Economic Services
RPF	Railway Protection Force
RPP	Real-Time Retail Payments Platform
SCADA	Supervisory Control and Data Acquisition
SCC	Standard Contractual Clause
SEPA	Single Euro Payments Area
SIPRI	Stockholm International Peace Research Institute
SME	Small and Medium Enterprises
SPOC	Single Point of Contact
SPV	Special Purpose Vehicle
TARGET	Trans-European Automated Real-Time Gross Settlement Express Transfer
TEN-T	Trans-European Transport Network
TEU	Twenty-Foot Equivalent Unit
TIPS	Target Instant Payment Settlement
TTC	Trade and Technology Council
ULIP	Unified Logistics Interface Platform
UNCLOS	United Nations Convention on the Law of the Sea
UPI	Unified Payments Interface
VTC	Virtual Trade Corridor
WANA	West Asia–North Africa
WITS	World Integrated Trade Solution

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Foreword

In 2026, European Union (EU)–India bilateral trade is approaching 200 billion Euros annually. Against the backdrop of the EU–India Free Trade Agreement (FTA), politically concluded in January of the same year, an already substantial trade relationship is set to deepen further, reinforcing the growing economic interdependence between both geographies.

For decades, this trade rested on the assumptions of open sea lanes across the Indian Ocean and secure passage through the Red Sea and Suez Canal. With the effective closure of the Strait of Hormuz from February 28, 2026, following the start of US–Israeli strikes on Iran, the underlying backbone of this expanding trade relationship is increasingly under threat: connectivity itself. The United States of America can no longer be assumed to provide the same degree of predictable security for global trade routes and shipping lanes. Additionally, great-power rivalry increasingly shapes maritime access, while regional powers have acquired greater capacity to disrupt or redirect the flows on which global commerce depends. Strategic chokepoints are now potential instruments of coercion, and connectivity itself is becoming geopolitical.

For Europe and India, this means that their expanding relationship can no longer rely on the assumption that infrastructure, sea lanes, energy markets, and supply chains will remain secure by default. The age of certainty is giving way to one in which resilience, redundancy, and the political protection of connectivity must become a strategic priority. Both sides had already begun drawing the broader strategic conclusion: They politically concluded FTA negotiations and signed a Security and Defence Partnership. Brussels now calls India a foreign-policy priority, and Delhi has come to see the EU as a global player worth cultivating. In a ruptured world, as Mark Carney of Canada has described it in Davos, the world's most populous country and the old continent are choosing to build a relationship anchored instead in shared interests, common ideas, and an adherence to rules. This rapprochement was not born of geopolitical romance, but of a growing strategic understanding and increasing convergence in a world of fewer reliable alternatives.

The India–Middle East–Europe Economic Corridor (IMEC) is where this convergence might be put to the test first. Launched at the G20 summit in 2023 and with India and the EU among its founding signatories, IMEC was first presented as an economic project with a regional peace agenda. But it will ultimately be one of the first joint undertakings that requires India and the EU to act together in a third geography: the Gulf and the wider West Asia/Middle East. Three years on, IMEC remains largely a political commitment without a common implementation plan. Whether India, the EU, and others can turn it into a working corridor while war is reshaping the region will show how much substance lies behind their strategic convergence.

This compendium, a joint initiative of the Centre for Social and Economic Progress (CSEP) and the Friedrich-Ebert-Stiftung (FES) India, seeks to narrow the gap between political intent and implementation. Its authors from Europe, India, and West Asia examine the geopolitical, planning, trade, and digital dimensions of the corridor. Their conclusions offer grounds for optimism: IMEC is viable if it is developed as a flexible network rather than a single route, and if it is supported by a standing political coordination mechanism as well as by a credible financing framework. For Friedrich-Ebert-Stiftung India, this project builds on long-standing work on EU–India relations and on the conviction that cooperation between the EU and India matters for their own prosperity and security as well as for an international order under growing strain.

I would like to thank Constantino Xavier and Abhishek Agarwal at CSEP for steering this project, all authors for their contributions, and my colleagues at FES for their support. In a world where connectivity has become geopolitical, Europe and India cannot afford to leave the space between them to others.

CHRISTOPH P. MOHR

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01

Introduction: Reconnecting India and Europe

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This compendium is the outcome of a collaborative research initiative undertaken by the Centre for Social and Economic Progress (CSEP) and the Friedrich-Ebert-Stiftung (FES). It was conceived at a time when the India–Middle East–Europe Economic Corridor (IMEC) had attracted significant political support across India, Europe, and West Asia, but continued to face uncertainty regarding its institutional architecture, implementation pathways, financing mechanisms, and long-term operational viability. While the corridor has emerged as one of the most ambitious connectivity initiatives linking the Indian subcontinent with West Asia and Europe, its evolution from political vision to executable economic architecture remains a work in progress.

For FES, supporting this initiative reflects a commitment to strengthening practical frameworks for international cooperation during a period of growing geopolitical fragmentation, trade uncertainty, and supply-chain disruption that are affecting Europe. For CSEP, the project provides an opportunity to bring together diverse strands of research on India's foreign policy, trade, transport, energy, technology, regulation, and India–European Union (EU) cooperation into a common policy conversation to generate actionable recommendations.

The underlying premise is straightforward: In a world adrift, marked by conflict and fragmentation, India and Europe represent a rare example of intensifying cooperation and geoeconomic convergence. As two of the largest economies and democracies in the world, the EU and India will need to craft new, interoperable systems and instruments for economic interdependence to advance their convergence.

IMEC is one such testing ground: To what extent can this corridor emerge as the first, truly global India–EU project? How can India and Europe ensure that IMEC is not just implemented as a bilateral, point-to-point corridor, but also brings benefits to their shared periphery in West Asia, as well as to other adjacent regions in Southeast Asia, the North Atlantic, Iran and Central Asia, and North and East Africa? From a broader, historical perspective, IMEC could assume the catalyst role of reconnecting Europe and India after decades of divergence and disruption, in different security and economic architectures.

The successful implementation of IMEC will thus require far more than investments in ports, railways, and logistics infrastructure. It will depend equally on policy coordination, regulatory interoperability, digital integration, institutional governance, financial structuring, and sustained political engagement across all participating geographies and beyond, including adjacent regions.

Rather than commissioning entirely new academic research, the compendium draws upon the established scholarship, professional expertise, and policy experience of leading contributors from India, Europe, and West Asia. The objective is to generate actionable policy recommendations that help bridge the gap between strategic intent and implementation. By combining high-level strategic reflection with sector-specific policy analysis, the compendium seeks to advance IMEC from a concept discussed in diplomatic and Track 2 forums toward a credible, resilient, and operational economic network capable of supporting trade, investment, energy connectivity, and digital cooperation. As the title of this publication indicates, India and Europe have much to gain from IMEC as a geoeconomic bridge across continents.

New Momentum? Drivers of Economic Engagement

IMEC is often framed as part of a broader international effort to stabilise the West Asia region. It is arguably the clearest continuity to India–Israel–United Arab Emirates–United States (I2U2) consultations and the Abraham Accords. This is the political and

security context for IMEC, which the three articles in the first section discuss in detail. The Gaza crisis and the Iran war have further emphasised the need for new economic and connectivity instruments to develop sustainable peace and security in the region, beyond just the energy dimension. In this sense, IMEC remains a vision for peace for the region supported by extra-regional players like India and the EU. For New Delhi, in particular, the importance of the Gulf cannot be exaggerated, with over 10 million expatriate citizens, as well as hydrocarbons and capital funds that are critical to its economic growth.

However, beyond this political and security context, IMEC's strategic rationale rests on the convergence of three economic developments: deepening trade and investment ties between India and Europe; the growing economic and logistical integration of India with West Asia; and a wider shift toward supply-chain diversification and resilient connectivity. The most consequential trade-policy development is the conclusion of the India–EU Free Trade Agreement (FTA) negotiations in January 2026. First launched in 2007, suspended in 2013, and revived in June 2022, the negotiations establish the basis for a prospective tariff and regulatory framework through which cargo moving through IMEC could gain preferential access to European and Indian markets once the agreement completes legal revision, signature, approval, and ratification. With bilateral merchandise trade reaching US\$136 billion in 2024–25, the agreement could give the corridor a stronger commercial foundation across a combined market of more than two billion people (Ministry of Commerce and Industry, 2026).

This broader integration is reinforced by parallel advances in India's relationships with major European economies. Germany's "Focus on India" strategy builds on bilateral trade exceeding US\$50 billion and channels investment through the Make in India Mittelstand (MIIM) programme into areas such as green technology and e-mobility. India and France elevated their relationship to a Special Global Strategic Partnership on February 17, 2026, building on the Horizon 2047 roadmap. Subsequent engagements established a high-level mechanism to double bilateral trade within 5 years and expanded

cooperation in defence co-production, innovation, economic security, and digital technologies (Ministry of External Affairs, 2026c, 2026d). The India–UK Comprehensive Economic and Trade Agreement (CETA) entered into force on July 15, 2026, reducing tariff and social-security barriers, facilitating professional mobility, and deepening high-technology supply chains (Department for Business and Trade, 2026; Government of the United Kingdom, 2026). Taken together, these arrangements broaden the commercial and regulatory ecosystem on which IMEC's European connections would depend.

The Mediterranean dimension is equally important because IMEC's effectiveness will depend on how efficiently its maritime gateways connect with inland European networks. India and Italy elevated their relationship to a Strategic Partnership in March 2023 and adopted a Joint Strategic Action Plan for 2025–2029 in November 2024. The plan includes cooperation on maritime and land infrastructure within the framework of IMEC (Ministry of External Affairs, n.d.-a, 2024b). Northern Adriatic ports, with deep-water access and intermodal rail links to Central Europe, could serve as important logistics hubs.

India and Greece have separately expanded defence, maritime security, and shipping cooperation, while the Port of Piraeus remains a potential connectivity gateway. GMR Group's development of the new international airport at Kastelli in Crete represents a distinct Indian infrastructure investment in a European sub-region from which it had been largely absent (GMR Group, n.d.; Ministry of External Affairs, 2024a, 2025c). India and Cyprus also committed in June 2025 to deepen defence and security cooperation, including work on search and rescue and counterterrorism (Ministry of External Affairs, 2025b). These developments give the Eastern Mediterranean a potentially important role in IMEC's wider network.

In West Asia, the Eastern Leg is anchored by established economic relationships and expanding transport and investment links. The India–United Arab Emirates (UAE) Comprehensive Economic Partnership Agreement (CEPA), under which bilateral

merchandise trade reached approximately US\$84 billion in 2023–24, provides an important commercial base. Local-currency settlement mechanisms in rupees and dirhams, the bilateral investment framework, and growing UAE investment in Indian infrastructure, energy, and logistics could support corridor-related projects and services (Ministry of External Affairs, n.d.-c; Press Information Bureau, 2026b). India–Saudi Arabia trade stood at approximately US\$43 billion in 2023–24 and is supported by the Strategic Partnership Council, a high-level task force on investment, and long-term energy and fertiliser-security arrangements (Ministry of External Affairs, n.d.-b, 2025a). Israel remains an important technology and port node through Haifa, notwithstanding continuing regional conflict, while Jordan provides a necessary land-transit bridge supported by agricultural and phosphate partnerships.

These bilateral and regional developments do not by themselves create a functioning corridor. They do, however, provide commercial relationships, investment channels, logistics nodes, and regulatory foundations from which one can be built. Their significance is reinforced by wider pressures to diversify supply chains, reduce exposure to maritime chokepoints such as the Suez Canal, and support the transition to cleaner energy systems. IMEC should therefore be understood not as a substitute for existing routes, but as an additional economic network whose value will depend on converting this convergence into coordinated infrastructure, interoperable rules, and reliable cross-border operations.

Limited, Punctual, and Localised Progress (2023–2026)

Since the IMEC Memorandum of Understanding (MoU) was signed in September 2023, progress has centred on a limited set of political, bilateral, trade-facilitation, and digital-connectivity initiatives. The chronology below identifies verified developments with direct relevance to the corridor. It does not suggest that IMEC has entered a coordinated construction phase or that participating countries have agreed on a common implementation timetable.

Table 1: Key Developments in IMEC, September 2023–June 2026

Date	Event	Relevance to IMEC	Source
September 2023	IMEC MoU signed at the G20 Summit	Established the political framework for a corridor linking transport, energy, and digital networks. The MoU expressed political intent and did not create binding legal obligations.	Ministry of External Affairs (2023)
November 2023	French government appointed an IMEC Envoy	President Emmanuel Macron appointed Gérard Mestrallet as France's envoy for IMEC. He was previously the special envoy for the France–Morocco Energy Partnership.	Italian Institute for International Political Studies (n.d)
February 2024	India–Greece Joint Statement	Underscored the role of IMEC in strengthening trade, commerce, and investment ties between India and Europe, including engagement across key sectors throughout the corridor.	Ministry of External Affairs (2024a)
February 2024	Inter-Governmental Framework Agreement between India and the UAE	Explored potential of future joint investment and collaboration in the development of IMEC.	Press Information Bureau (2024a)
September 2024	India and the UAE launched work on the Virtual Trade Corridor and the MAITRI interface	Initiated a bilateral digital trade-facilitation mechanism intended to streamline customs and logistics processes; it did not establish a corridor-wide electronic system.	Press Information Bureau (2024b)
February 2025	Visit to India by EU President von der Leyen and the College of Commissioners	Emphasised operational advantages to IMEC such as shortening trade transit times between India and Europe by 40% via rail links, alongside integrating high-speed data networks, clean hydrogen pipelines, and cross-border electricity cables to connect regional digital ecosystems.	European Commission (2025)
April 2025	High-Level Roundtable on IMEC Conclave	Union Minister of Commerce and Industry Piyush Goyal addressed a high-level roundtable on IMEC and discussed a timeline for the physical construction of ports, railways, and logistics hubs.	Press Information Bureau (2025)

Date	Event	Relevance to IMEC	Source
April 2025	Italian government appointed an IMEC Envoy	Amb. Francesco Maria Talò appointed as Special IMEC Envoy by Italian Foreign Minister Antonio Tajani.	International Chamber of Shipping (n.d.)
August 2025	India's National Security Council Secretariat convened the first meeting of IMEC partner countries	Marked an initial coordination effort, bringing together partner-country representatives and special envoys to review IMEC's progress and future implementation.	Haidar (2025)
September 2025	Joint Communication between the European Parliament and Council outlining a 'New Strategic EU–India Agenda'	Emphasised strengthening EU–India cooperation on regional connectivity initiatives, such as IMEC.	European Commission and High Representative of the Union for Foreign Affairs and Security Policy (2025)
October 2025	The EU advances the EU–Africa–India Digital Corridor	Provided a concrete digital-connectivity initiative associated with IMEC, centred on the Blue Raman subsea cable system.	European Commission, Directorate-General for International Partnerships (n.d.)
January 2026	Italian Foreign Minister's Republic Day visit to India	Announced a major Conference to be held in Trieste on March 17, 2026, to give fresh momentum to the IMEC economic and logistics corridor project.	Ministry of Foreign Affairs and International Cooperation (2026a)
January 2026	EU–India Joint Statement and the Comprehensive Strategic Agenda	Following the State Visit of H.E. Antonio Costa, President of the European Council, and H.E. Ursula von der Leyen, President of the European Commission, to India, as well as the 16th EU–India Summit, the Joint Statement called for deepening strategic collaboration under IMEC to diversify trade routes, reduce strategic dependencies, promote regional integration, and future-proof supply chains, including support for infrastructure development. Both leaders called for an IMEC ministerial.	European Commission (2026a, 2026b)

Date	Event	Relevance to IMEC	Source
January 2026	India–Germany Joint Statement	Reiterated endorsement of IMEC as a transformative driver of global trade and regional connectivity. Called to convene the first IMEC Ministerial Meeting to map out concrete steps for the corridor's implementation.	Ministry of External Affairs (2026a)
January 2026	India–UAE Joint Statement	Recalled the launch of IMEC on the margins of the G20 summit in Delhi in September 2023.	Ministry of External Affairs (2026b)
February 2026	India–France Joint Statement	Reaffirmed commitment to IMEC, highlighting its potential to transform global trade and connectivity. Called to convene the inaugural IMEC Ministerial Meeting within the year to establish concrete steps for moving the project forward.	Ministry for Europe and Foreign Affairs (2026)
March 2026	India–Cyprus Business & Investment Summit	Discussed energy, connectivity, and green transition under IMEC with 250 Cypriot policymakers, business leaders, and 20 Indian entities.	High Commission of India, Nicosia (2026)
March 2026	Italy's Foreign Ministry hosts IMEC	Discussion attended by the Foreign Minister on the potential of IMEC for the increase of trade, energy, and digital connections between concerned economies.	Ministry of Foreign Affairs and International Cooperation (2026b)
May–June 2026	G7 Summit and European Round Table for Industry	Reaffirmed India's commitment to global integration through IMEC to strengthen supply chains, ensure regional stability, and foster shared technological and economic growth.	Press Information Bureau (2026a)

Note: G7 = Group of Seven; G20 = Group of Twenty; IMEC = India–Middle East–Europe Economic Corridor; MAITRI = Master Application for International Trade and Regulatory Interface; MoU = Memorandum of Understanding.

Progress since September 2023 has been uneven. Bilateral initiatives have advanced alongside one initial coordination effort: the August 2025 meeting of partner-country representatives in New Delhi. Political alignment, India–UAE logistics cooperation, digital-connectivity initiatives, and the prospective India–EU trade framework have

also moved forward. However, IMEC still lacks a common implementation plan, a standing coordination mechanism, a consolidated financing framework, and an agreed timetable for its principal cross-border rail links. Distinguishing these enabling initiatives from corridor-wide execution is therefore central to assessing IMEC's present stage of development.

Key Arguments and Findings

The policy briefs are organised into five thematic sections that move from the strategic rationale for IMEC to the institutional, physical, digital, and diplomatic requirements for implementation. Read together, they treat the corridor not as a single transport route, but as a wider economic network whose viability will depend on resilience, coordinated planning, interoperable systems, and sustained political engagement.

Section 1: Convergence in a World Adrift

The first section examines the geopolitical conditions shaping IMEC. Constantino Xavier situates IMEC within an emerging “Indo-Atlantic” partnership, emphasising connectivity as an instrument of strategic diversification, de-risking, and resilience across maritime and continental spaces. Nicolas Blarel focuses on strategic resilience and maritime security, including the role of naval coordination in the Gulf and mini-lateral arrangements such as the India–France–UAE trilateral in protecting critical infrastructure from geopolitical disruption. Gidon Bromberg advances the idea of an “IMEC Peace Triangle,” arguing that shared economic, energy, and water infrastructure involving Israel, Palestine, and Jordan could create practical incentives for regional cooperation and continuity.

Section 2: Planning for Economic Corridors

The second section turns to the planning choices required to translate this strategic proposition into a functioning corridor. Kristina Kausch explains Europe’s shift from efficiency-led globalisation toward strategic de-risking, presenting IMEC as a source of route optionality and resilience rather than a replacement for the Suez Canal. Abhishek Agarwal argues that this logic must be reflected in planning systems: IMEC should be developed as a dynamic, multi-pillar network aligned with domestic infrastructure plans, supported in India by a National Transport

Master Plan and a proposed Gati-Shakti Transport and Logistics Planning and Research Authority (GTLPR).

Section 3: Trade, Logistics, and Economic Security

The third section assesses the corridor’s economic potential alongside the operational and security conditions needed to realise it. Using Computable General Equilibrium (CGE) modelling through the Global Trade Analysis Project (GTAP) framework, Badri Narayanan Gopalkrishnan estimates a dynamic gross domestic product (GDP) gain of US\$3.535 billion for India under a scenario in which transit times fall by 40%, with particularly strong export effects in manufacturing, electronics, and perishables. Afaq Hussain identifies practical gaps in the Eastern Leg, including the need to scale the India–UAE MAITRI digital platform, establish cross-border transit arrangements, and complete the missing rail connection in Jordan. Amitendu Palit examines the economic-security dimension, drawing attention to divergent digital-trade rules, supply-chain vulnerabilities, and the governance and protection of subsea cables.

Section 4: Data and Digital Infrastructure

The fourth section addresses the legal and technical foundations of corridor-wide digital architecture. Meghna Bal examines points of friction between India’s Digital Personal Data Protection Act (DPDPA) and the EU’s General Data Protection Regulation (GDPR), particularly the absence in the DPDPA of “contractual necessity” and “legitimate interest” grounds that facilitate multi-party logistics data processing. Nithya Kochuparampil examines the software layer of digital public infrastructure (DPI), comparing the EuroStack and India Stack and considering mechanisms such as tokenisation, Project Nexus for cross-border payments, and “Data Embassies” to enable secure and interoperable data exchange.

Section 5: The Utility of More Dialogue

The closing section considers how structured dialogue can support implementation. Abhishek Agarwal proposes Track 1.5 diplomacy as a common execution framework linking political authority with technical expertise. Such a mechanism could help consolidate fragmented research, align regulatory and planning discussions across jurisdictions, and translate expert assessments into a sequenced, decision-ready pipeline for governments, financiers, and implementing agencies.

Recommendations for India–EU cooperation

The briefs identify six interdependent priorities that must advance in parallel, led by Indian and European policymakers: network design, institutional coordination, digital interoperability, energy integration, financing, and security. The immediate task is to convert political commitment into a sequenced implementation framework that assigns responsibilities, prioritises projects, and establishes credible pathways for public and private investment.

- **Develop IMEC as a Flexible, Multi-Node Network:** National planning frameworks should treat IMEC as a network of multiple gateways and routing options rather than a rigid point-to-point corridor. Geographic redundancy would help maintain trade flows during localised conflicts or disruptions at chokepoints such as the Red Sea and the Strait of Hormuz. Supplementary maritime links, including Omani deep-water ports beyond the Strait, Egyptian Red Sea terminals, and additional Levantine access points, should be assessed for commercial viability, infrastructure readiness, and utility during crises.
- **Create an Institutional Coordination Framework:** Participating governments should designate empowered National IMEC Sherpas and establish a standing multilateral coordination mechanism.

Its immediate functions should include agreeing priorities, monitoring implementation, resolving cross-border bottlenecks, and coordinating technical working groups. In India, a single point of contact could be anchored in an empowered inter-ministerial arrangement, potentially linked to the proposed GTLPRA or the National Security Council Secretariat (NSCS), to align domestic infrastructure appraisal, regulatory coordination, and external engagement.

- **Build an Interoperable Trade and Data Architecture:** Physical connectivity will deliver limited gains unless customs, logistics, payments, and data systems can interact across jurisdictions. Technical working groups should prioritise common standards for e-seals, customs application programming interfaces, and port community systems, while assessing how the India–UAE MAITRI platform could be extended across the network. India should also examine legally robust mechanisms, including the scope of Section 17(5) of the DPDPA, to enable necessary third-party logistics data processing while maintaining appropriate safeguards and interoperability with GDPR-compliant European operators.
- **Integrate Energy Connectivity and Climate Standards:** Energy should be developed as a core pillar of IMEC alongside transport and digital connectivity. Partners should identify viable renewable-grid interconnections and advance proof-of-concept work on green-hydrogen pipelines linking Middle Eastern supply with European demand. In parallel, interoperable monitoring, reporting, and verification (MRV) standards will be needed to establish credible emissions data and help IMEC-linked exports meet the requirements of the EU's Carbon Border Adjustment Mechanism (CBAM).
- **Establish a Blended-Finance and Project-Preparation Platform:** The scale and cross-border complexity of IMEC will require financing structures that can combine public, concessional, sovereign, and private capital. A dedicated IMEC Investment Platform

could aggregate support from the EU Global Gateway and the US International Development Finance Corporation with capital from Gulf sovereign wealth funds and institutional investors. Its mandate should extend beyond capital mobilisation to project preparation, common appraisal standards, and transparent risk allocation, using instruments such as guarantees and first-loss capital where necessary to improve bankability.

- **Develop a Layered Security and Resilience Framework:** Security arrangements should cover ports, rail links, logistics nodes, maritime approaches, and digital infrastructure without creating unnecessary barriers to commercial operations. An Indo-Mediterranean Maritime and Infrastructure Security Dialogue could support shared risk assessments, contingency planning, and coordination among relevant agencies. In India, the proposed National Transport Security Authority (NTSA) could help establish common multimodal protocols. At the international level, partners should also clarify legal and operational arrangements, including relevant International Telecommunication Union (ITU) frameworks, for the protection, governance, repair, and restoration of subsea fibre-optic cables.

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Convergence in a World Adrift

02

Taking IMEC Places: Towards an Indo-Atlantic Connectivity Partnership

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Abstract

As India and Europe engage on the India–Middle East–Europe Economic Corridor (IMEC), they must ensure this corridor does not become a mere point-to-point, bilateral exercise. Both sides see IMEC as an opportunity to exchange perspectives and foster cooperation in the Gulf region as their shared neighbourhood. But India and Europe must also navigate a broader geographic, economic, and security context if IMEC is to move forward and deliver spillover benefits to other, adjacent regions. In line with the increasingly global ambition of the India–European Union (EU) strategic partnership, IMEC could also enable Indo-European alignment on infrastructure, trade, and security policies across four contiguous geoeconomic regions. Along an East–West axis, this includes 1) Southeast Asia and 2) the North Atlantic; and along a North–South axis, 3) Central Asia and the Caucasus and 4) North and East Africa. These are the four cardinal regions with IMEC at the heart. Developments in these contiguous IMEC spaces should inform India–EU engagement across a broader geoeconomic space toward an Indo-Atlantic connectivity partnership linking the Indian and Atlantic oceans. As Indian and European governments, industry, and research ecosystems seek to implement the IMEC corridor, they must consider not only the interests of Gulf states and other adherents to the initiative but also the wider implications for other actors across these four regions. This creates space for stronger India–EU regional and global connectivity partnerships across the trade, transportation, energy, and security sectors. It also opens the possibility of India–Europe (both EU and member states) trilateral partnerships involving new sectors,

mechanisms, and instruments to foster a network of supply chains to the East, West, North, and South of IMEC.

Introduction

Amid the ongoing transition in the global order, marked by a reconfiguration of economic supply chains, an unpredictable role of the United States, and rising levels of conflict and competition, one element has remained steady: Over the last few years, the India–EU partnership has accelerated and expanded, culminating in a free trade agreement (FTA) that had been envisioned and unsuccessfully negotiated for almost a quarter of a century. New Delhi and Brussels have also intensified political engagement and opened new areas for cooperation in technology, defence and security, mobility, and research and innovation.

Beyond the bilateral partnership, India and the EU have also been working to give their partnership a broader regional and global dimension (Mohan, 2026). In addition to regular Foreign Policy and Security Consultations, they now also hold dedicated exchanges on Asia, maritime security, and Africa, with the first consultations held in 2022 (Ministry of External Affairs [MEA], 2022). The European Union–India Trade and Technology Council includes three working groups focused on a range of geoeconomic challenges, including artificial intelligence (AI) governance, green technologies, and resilient value chains (MEA, 2026a).

Multi-sectoral and intercontinental connectivity has been another area of convergence. Announced in 2021, two of the four pillars of the India–EU Connectivity Partnership focus on transport and energy infrastructure. The partnership aims for “joint support for sustainable connectivity in third countries and regions,” driven by public financing entities such as the European Investment Bank and the State Bank of India, as well as the private sector (MEA, 2021).

As joint founding signatories, India and the EU announced the IMEC on September 9, 2023, which became the first test of their connectivity visions anchored in the Gulf region, their shared neighbourhood, and already with an eye toward a future trade agreement. Three years later, the world seems to have aged by a few decades, shaken by profound transformation and uncertainty. Yet Indian and European interest in implementing IMEC has persisted and converged: In their January 2026 joint statement, Prime Minister Modi and EU Commission President Ursula von der Leyen “welcomed advances” on IMEC and called for a ministerial meeting (European Commission, 2026).

This article argues that, in line with the India–EU partnership’s growing global orientation, New Delhi and Brussels must ensure that this corridor does not become a point-to-point, bilateral Indo-European initiative. Naturally, both sides see IMEC as an opportunity to exchange perspectives and foster Indo-European cooperation in the Gulf region, their shared neighbourhood. But there is also a broader geographic, economic, and security context that India and Europe must explore if IMEC is to move forward and provide spillover benefits for other, adjacent regions.

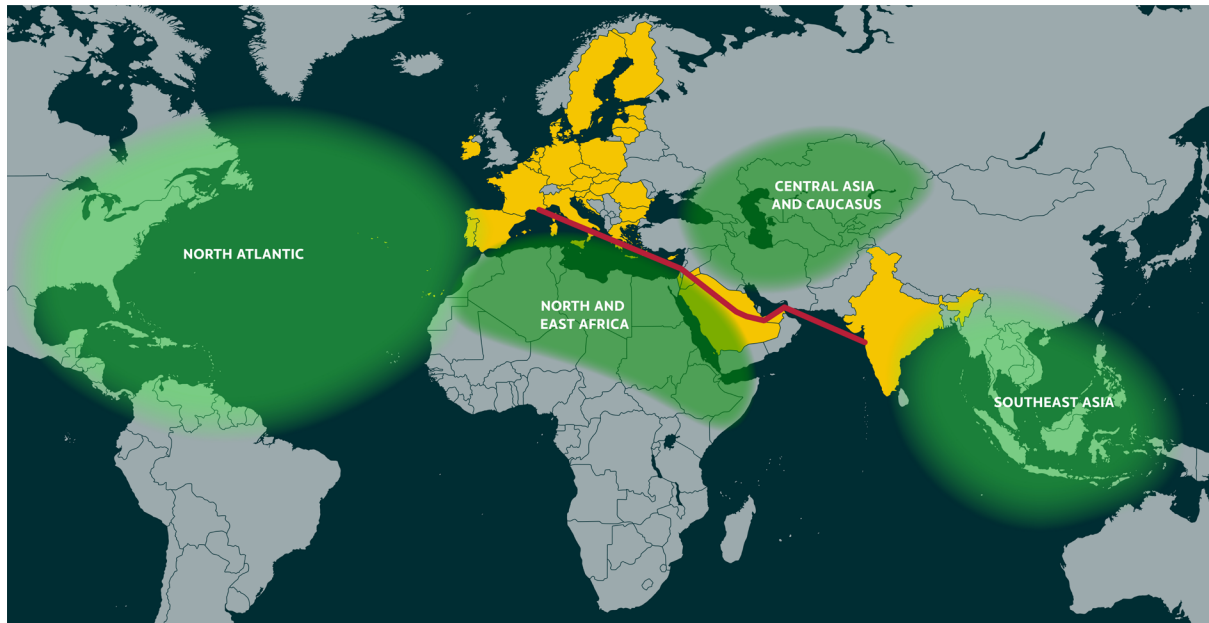
In line with the increasingly global ambition of the India–EU strategic partnership, there is potential for greater Indo-European alignment on multimodal transportation and energy infrastructure, as well as trade and security policies in four contiguous geographies: Along an East–West axis, this includes 1) Southeast Asia and 2) the North Atlantic; along a North–South axis, this includes 3) Central Asia and the Caucasus and 4) North and East Africa.

Developments in these contiguous IMEC spaces should inform India–EU engagement across a broader geoeconomic space toward an Indo-Atlantic connectivity partnership linking the Indian and Atlantic oceans. As Indian and European governments, industry, and research ecosystems seek to implement the IMEC corridor, they must consider not

only the interests of Gulf states and other adherents to the initiative but also the wider implications for other actors across these four regions. This creates space for stronger India–EU regional and global connectivity partnerships across the trade, transportation, energy, and security sectors. It also opens

the possibility of India–Europe (both EU and member states) trilateral partnerships involving new sectors, mechanisms, and instruments to foster a network of supply chains to the East, West, North, and South of IMEC.

Map 1: India, the EU, and IMEC's Four Geoeconomic Adjacent Regions



Source: Author's illustration.

Disclaimer: This map is for illustrative purposes and does not imply the expression of any opinion on the part of CSEP concerning the legal status of any country or territory or concerning the delimitation of frontiers or boundaries. The authors or CSEP do not vouch for the accuracy and correctness of the map.

The East–West Axis: Malacca to Panama

These are the two horizontal bookends of IMEC as a broader Indo-Atlantic growth region. On a map, they are symbolised by two economic funnel regions and strategic maritime straits, one to the East (Malacca) and the other (Panama) to the West of the corridor.

To the East, this includes Southeast Asia as the first adjacent region and the Malacca Straits, which link to East Asia and the Pacific Ocean. Much of the world economy's future growth potential is located here. From a supply-chain logic, IMEC will only succeed if linked to these Eastern intermediate manufacturing hubs across Thailand, Vietnam, and the ASEAN

region. The India–EU partnership on IMEC can build on the positive momentum of convergence in this Eastern geography.

For over a decade, Japan has been pursuing an Eastern variant of IMEC, with support from the Asian Development Bank (ADB) and in coordination with India, to develop multimodal transportation infrastructure, trade arrangements, and investments in the industrialisation and manufacturing sectors linking India, the Bay of Bengal, and Southeast Asia (Mohan, 2023). While this connectivity corridor remains nameless, it reflects Tokyo's broader geoeconomic vision of a "free and open Indo-Pacific" to offer alternatives to China's Belt and Road Initiative (BRI), for example in terms of "quality infrastructure"

(Yanagida, 2021). In the Eastern Indian Ocean, in particular, this led Tokyo to pursue the Bay of Bengal Industrial Growth Belt (BIG-B) (Bhuiyan, 2026).

The EU has also focused on this region as part of its Indo-Pacific vision and connectivity strategy. It signed new FTAs with Singapore and Vietnam and is negotiating economic agreements with other Association of Southeast Asian Nations (ASEAN) member states. It also extended its maritime security and governance project, Critical Maritime Routes Indo-Pacific (CRIMARIO), to the Bay of Bengal region. European engagement is also reflected in the first-ever visit by a French President to Sri Lanka and Bangladesh, as well as in a new India–Germany trilateral partnership for climate and sustainable development in Southeast Asia. Much of this aligns with India's Eastern engagement under the Act East policy, part of a broader effort to develop multimodal infrastructure linking its eastern coastal regions to Southeast Asia (Sinha & Xavier, 2024). This offers potential for India and Europe to further coordinate on policies and ensure that IMEC aligns with their growing focus on Southeast Asia.

To the west, the North Atlantic emerges as the second important IMEC-adjacent region. The Panama Canal symbolises this as the most important chokepoint connecting to the Pacific Ocean. For Europe and India to engage with IMEC, they must also consider the importance of this western North Atlantic and North American region. What future does IMEC have to the west beyond the Strait of Gibraltar? How should India and the EU regulate their IMEC interests with regard to the Trump administration?

This region remains the heart of the world economy, with the largest and wealthiest consumer markets, at least for another few decades. Despite the current tariff turmoil, North America and Europe remain one of the world's most deeply integrated economic and security blocs. The North Atlantic Treaty Organization (NATO) remains the most

formidable military alliance, with unmatched capabilities to deploy naval forces, including across the Middle East and Indian Ocean. Several NATO members from the EU are at the forefront of the European Union Naval Force (EU NAVFOR) mission to combat piracy in the Gulf of Aden and the Red Sea.

India and the EU will need to find new ways to engage in the North Atlantic region, including without the United States when necessary. Formally, the United States was one of the original drivers and signatories of IMEC, even under the Biden administration. While President Trump opted out of dozens of international organisations and initiatives, IMEC proved to be one of the rare exceptions, reflecting his administration's and the American private sector's continued economic interest.

Yet, Trump's policies on multiple fronts have plunged the transatlantic relationship into deep disarray, raising serious concerns across Europe. Notably, while New Delhi and European capitals have continued to engage on IMEC, the United States has shown less interest and engagement since 2024. This opens avenues for Indian and European interests. First, it offers an opportunity for India and Europe to move ahead and use IMEC to deepen bilateral consultations on economic and security developments in the North Atlantic and, more importantly, on the United States itself. Second, India and Europe must also work to engage Canada and Mexico on IMEC. Both are Group of Twenty (G20) members and should be brought in wherever possible for IMEC consultations.

The North–South Axis: Astana to Addis Ababa

These are the two vertical bookends of IMEC within the broader Indo-Atlantic region, with the Caucasus and Central Asia (North) and Africa (South) as adjacent regions. While engaging in IMEC, Europe and India will need to ensure that, beyond its East–West alignment, it is also co-developed

with stakeholders from these two Northern and Southern regions, for both economic and security reasons. The idea of IMEC as a network (rather than a mere corridor) favours this hub-and-spoke approach, offering possibilities to the north and south that are in line with Indian and European interests.

To the north, IMEC faces the Caucasus and Central Asian regions, which have long been at the crossroads of multiple economic corridors and connectivity initiatives. This is IMEC's third adjacent region that India and Europe must engage. China's BRI has re-centralised these Eurasian hinterlands through new infrastructure and energy investments. Russia's International North–South Transport Corridor (INSTC) is another North–South connectivity initiative that could complement IMEC towards the north via Iran. Astana, the landlocked, northernmost capital of Central Asia, symbolises the septentrional point of the Indo-Atlantic IMEC region.

The viability of this Northern axis has been fundamentally challenged by the wars in Iran and Ukraine and by the collapse of Europe–Russia relations. While Russia may be set aside for now and one awaits the war in West Asia to settle, India and Europe may begin thinking together about what IMEC can deliver to help reconstruct and redevelop a post-war Iran. Second, they may initiate consultations and test the waters across the Caucasus and Central Asia. These are countries where both the EU and India have lost some relevance to Russia and China—but where energy, security, and political stakes remain high, as seen in the collapse of Afghanistan. No serious alternative to the BRI, including any India–EU connectivity initiative, can emerge without ensuring that IMEC also delivers developmental benefits to these landlocked economies to the north.

Finally, to the south, Ethiopia's capital, Addis Ababa, serves as the meridional counterpart to Astana. This is the fourth and final adjacent region that India and Europe must consider when developing IMEC as part of an Indo-

Atlantic partnership for connectivity: North and East Africa. This belt stretches from Morocco to Somalia, encompassing all littoral states along the Mediterranean and Red Seas up to the Gulf of Aden. One could also include Kenya, which has positioned itself as a multi-modal transportation and energy hub for Eastern Africa. Although landlocked, Addis Ababa is both a symbolic and political entry point, hosting the African Union (AU) headquarters. The AU is a critical partner for both India's and the EU's connectivity strategies and for IMEC, as its Infrastructure and Energy Department strives to develop new pan-continental economic corridors in line with the AU Agenda 2063.

India and the EU held their inaugural round of consultations on Africa in 2022 and must now ensure that IMEC is included in future discussions, including from a triangular development perspective, as New Delhi and Brussels seek to give their partnership a more global focus. India's engagements with France, Germany, and Italy have also taken on a more triangular dimension focused on Africa. President Macron invited Prime Minister Modi to the 2026 Africa Forward summit in Kenya, and there have been Agence Française de Développement (AFD) initiatives to promote trilateral cooperation as part of the France–India Special Global Strategic Partnership (Prime Minister's Office, 2026). India and Italy also announced plans to “work together in trilateral initiatives with African partners “including Digital Public Infrastructure (DPI), connectivity and infrastructure and renewable energy” (MEA, 2026b, para. 35).

The India–EU agenda for IMEC must account for two distinct realities in the adjacent North and East African regions. First, for North African states, the challenge will be to ensure that a network (rather than a mere corridor) approach to IMEC also brings investment to the Southern Mediterranean littoral (rather than just to France, Italy, etc., on the European coastline). New Delhi and Brussels must emphasise an inclusive approach to IMEC that does not seek to replace or reduce reliance

on Port Said and the Suez Canal but instead fosters cooperative complementarities. India and Europe must ensure that their connectivity partnership also includes ports from Tanger Med to Alexandria and accounts for these countries' long-term logistics and multimodal transportation plans to help develop the conflict-ridden Sahel hinterland, a growing cause of concern for Europe in terms of refugee flows and extremism.

Similar concerns should also drive the India–EU IMEC partnership for Eastern Africa, particularly the Horn region, which has been plagued by recurrent conflicts, endemic underdevelopment, and political instability. Here, an IMEC Southern corridor holds promise of delivering significant economic benefits, especially for Sudan, Ethiopia, Eritrea, Djibouti, and Somalia. As India's trade and investment profile in this region is likely to rise in the coming decades, New Delhi must assess how this Southern region can shift from being seen as a source of security concerns to an opportunity linked to global commercial and energy routes.

Can Europe and India Take IMEC Places?

As two of the original initiators of the IMEC initiative, India and the EU will need to deploy significant resources to develop it despite difficult circumstances in the Gulf region. The Gaza conflict and the Iran war have added further risks, costs, and complications in a global environment marked by an economic slowdown, protectionism, and geopolitical competition.

The West Asia–North Africa (WANA) region is at the heart of many of these tensions. From a political economy and security perspective, IMEC's relevance is precisely geared toward transforming this region through investments in multimodal transportation, energy, and digital connectivity that lock conflicting parties into an interdependent “peace triangle” (Bromberg, 2026).

Often overlooked in discussions of trade and economics, this is the original political motive behind IMEC, shared by Indian, European, and American leaders—going back to the India–Israel–United Arab Emirates–United States (I2U2) initiative and the Abraham Accords (Suri et al., 2024). The India–EU FTA now provides additional incentives to ensure the resilience of shipping and supply routes connecting the European continent to the Indian subcontinent, effectively upgrading existing linkages and establishing new ones between the Mediterranean and Arabian seas.

This brief provided an overview of IMEC beyond the Middle East and offered ideas for India and European decision-makers to develop it as part of a broader Indo-Atlantic connectivity partnership. Beyond the popular point-to-point corridor idea, India and the EU must ensure IMEC also addresses the interests of four cardinal, adjacent regions: 1) to the East and West, they must find ways to co-develop and link IMEC with the growth regions, industrialised markets, and connectivity initiatives in Southeast Asia and the North Atlantic; and 2) to the North and the South, they must ensure that IMEC does not bypass or further marginalise seemingly peripheral regions, respectively in Central Asia/Caucasus and North and East Africa.

Given the uncertain role of the United States in IMEC, which may not always be willing or able to sustain this geoeconomic outreach agenda, it will be up to India and the EU to develop a multi-level engagement strategy for these four regions. New Delhi and Brussels (as well as Paris, Berlin, Rome, Athens, etc.) must ensure that IMEC finds a place on the busy agendas of bilateral, trilateral, regional, and multilateral mechanisms. These consultations will lay the groundwork for an increasingly broad and interoperable network of Indo-Atlantic connectivity partnerships, including but not limited to IMEC.

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03

Resilience in a Time of Crisis: EU–India Cooperation on Gulf Security and IMEC

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Abstract

The escalation of tensions in the Middle East, including disrupted traffic through the Strait of Hormuz, has emphasised the vulnerability of global trade and energy systems. For both the European Union (EU) and India, the crisis is not only geopolitical but existential, affecting energy security, supply chains, and the viability of emerging connectivity initiatives such as the India–Middle East–Europe Economic Corridor (IMEC). In this context, EU–India relations are evolving from a broad strategic partnership into a more operational framework centred on resilience. The EU increasingly views India not only as a major energy buyer and a logistics and industrial hub, but also as a political actor with working relations across rival camps in the Middle East, and a strategic partner capable of supporting maritime security, sustaining trade flows, and contributing to de-escalatory diplomacy. This brief argues that EU–India cooperation should focus on reducing regional trade risks and strengthening strategic-corridor resilience, particularly IMEC. It examines long-term and current security challenges, assesses cooperation mechanisms, identifies structural constraints, and proposes policy pathways for strengthening joint action in the Gulf and the Western Indian Ocean.

Crisis and Connectivity

Since the announcement of IMEC at the 2023 Group of Twenty (G20) Summit in New Delhi, EU policy towards India has moved from broad partnership language to a more operational agenda on security, connectivity, and supply-chain resilience. In January 2026, the EU and India signed a Security and

Defence Partnership. During the same summit, which also witnessed the conclusion of the India–EU Free Trade Agreement (FTA) negotiations, European Commission President Ursula von der Leyen and Prime Minister Narendra Modi welcomed progress on IMEC and, in their new joint agenda, explicitly tied it to diversifying trade routes, reducing strategic dependencies, and strengthening supply-chain resilience (European Commission, 2026).

The Strait of Hormuz crisis, which escalated a month later, further consolidated this broader shift in European strategic thinking. Hormuz remains one of the most critical chokepoints in the global economy, accounting for about one-fifth of global oil and gas flows, based on early 2025 data (U.S. Energy Information Administration, 2025). Much of that energy is destined for Asian markets, but safe access to this strait is key for both European and Indian energy security, as both rely heavily on Gulf hydrocarbons, though with different diversification profiles. The crisis has underscored the vulnerability of energy supplies and the exposure of global trade networks to maritime chokepoints, vulnerabilities which had already led to EU–India discussions and motivated the announcement of IMEC in 2023.

For IMEC, these vulnerabilities are particularly consequential. As a multimodal corridor linking India to Europe via the Gulf, IMEC depends on stable maritime routes, secure logistics hubs, and reliable digital infrastructure. IMEC's maritime resilience also extends beyond the Gulf itself, as shipping routes and feeder networks linking Indian ports to Gulf hubs are affected by security conditions across the Western Indian Ocean, including around the Horn of Africa and approaches to the Red Sea.

Disruptions in Hormuz, therefore, have cascading effects, threatening immediate trade flows and the long-term credibility of alternative connectivity initiatives. IMEC should also be situated within a wider Eurasian connectivity landscape shaped by China's Belt and Road Initiative (BRI) and other competing

and complementary infrastructure initiatives. Connectivity initiatives like IMEC can no longer be treated as purely economic and infrastructure projects, but as security and resilience frameworks adaptable to geopolitical shocks.

India as a Security and Resilience Partner

Over the past three years, the EU's approach to India has become more operational, with India now being seen as a key partner in addressing systemic vulnerabilities in global trade and security.

First, India is central to the EU's efforts to diversify supply chains and reduce strategic dependencies. The EU's 2025 joint communication on India casts IMEC as a flagship project to diversify routes, reduce dependencies, and connect maritime, rail, digital, and energy infrastructure (European Commission & High Representative of the Union for Foreign Affairs and Security Policy, 2025). It also links the EU–Africa–India Digital Corridor (European Commission, 2025) and the Blue Raman cable (European Commission, n.d.) to IMEC as secure, diversified infrastructure resilient to disruption and sabotage. The EU thus increasingly sees India not only as a corridor endpoint, but as a co-designer of an alternative strategic geography between Europe and Asia.

Second, India has emerged as a credible maritime security partner. India–EU cooperation has expanded into areas such as maritime domain awareness, joint exercises, and coordination with EU naval missions, notably in the Western Indian Ocean (European External Action Service [EEAS], 2025). This reflects growing convergence on the importance of freedom of navigation and the protection of commercial shipping. Decades of fiscal pressure and operational overuse have shrunk European naval forces (Andrews, 2026). Naval assets protecting shipping in the Gulf or the Red Sea are unavailable for deterrence in the Euro-Atlantic or the Indo-Pacific.

Third, India is central to security solutions at the junction of the Indo-Pacific and the Gulf. EU documents increasingly connect Indian Ocean security, critical infrastructure protection, and information-sharing with India (EEAS, 2026). The EU's 2025 communication proposes greater information sharing between EU naval operations and the Indian Navy in the Western Indian Ocean, closer work on maritime domain awareness, support for regional information-sharing platforms, joint capacity-building for Indian Ocean states, and cooperation to protect critical maritime infrastructure (EEAS, 2025). That is the strongest documentary basis for treating the Gulf as a de facto shared neighbourhood for EU–India security cooperation.

Finally, India's diplomatic positioning in the Middle East strengthens its value as a partner and interlocutor in the Gulf. While some EU leaders such as Finnish President Alexander Stubb have at times cited India as a possible diplomatic broker in the Gulf (Hindustan Times, 2026), the EU has not publicly promoted an official mediation role for India. The EU nonetheless values India's dense societal and energy ties with the Gulf Cooperation Council (GCC) and historical ties with Iran, alongside its consistent support for de-escalation and open sea lanes without alignment with any single bloc. This makes India credible for crisis messaging. The EU's Gulf policy likewise stresses energy security, trade, and common security challenges, while the 2024 EU–GCC summit statement explicitly linked Gulf cooperation to IMEC (European Council, 2024).

Existing EU–India Security Cooperation

India is already a key maritime security partner for the EU. The EU and India held their fourth Maritime Security Dialogue in March 2025, covering illicit maritime activity, critical infrastructure, maritime awareness, capacity building, and joint activities at sea (EEAS, 2025). In June 2025, India conducted a major counter-piracy exercise with the

European Union Naval Force (EUNAVFOR) Atalanta. In September 2025, the Indian Navy and EU forces under Aspides held their first closely coordinated passage exercise (Pollmann, 2025). Furthermore, the 2026 Security and Defence Partnership builds on those EUNAVFOR activities through an annual Security and Defence Dialogue (EEAS, 2026). This is a significant step towards institutionalising cooperation in the Gulf and Western Indian Ocean.

Minilateral and Bilateral Cooperation

In parallel with EU-level initiatives, a growing web of bilateral and small-group cooperation has emerged between India and individual EU member states touching on IMEC, Gulf security, and the Western Indian Ocean.

An important development is the India–France–UAE trilateral, launched in 2023, which has expanded from political dialogue into practical cooperation on maritime security, defence, and joint exercises (Press Information Bureau, 2023). It brings together a major EU member state (France), India, and a key Gulf actor (the UAE), and explicitly focuses on the Western Indian Ocean and Gulf as a shared strategic space. France's role as both an EU member and a resident power in the Indian Ocean has helped bridge European and regional perspectives.

The trilateral engagement has helped develop concrete coordination on maritime security and domain awareness, and facilitated defence cooperation and interoperability, with growing emphasis on joint training and exercises. It has also discussed energy security and connectivity, linking its initiatives to broader IMEC-related discussions (Rose, 2025).

Other member states contribute in complementary ways. Italy has positioned itself as a key Mediterranean partner for IMEC. A high-level Italy–India dialogue in Rome in 2025 brought together officials,

maritime actors, and diplomats to discuss IMEC as a corridor linking the Indo-Pacific to the Mediterranean, with a strong emphasis on trade, maritime security, and strategic connectivity (Chaudhury, 2025). Italy has also pursued defence cooperation agreements with India on maritime domain awareness, defence industry collaboration, and information-sharing, consistent with broader EU cooperation as mentioned above. Germany's role has been less operationally maritime than that of France or Italy, but has been key in strengthening industrial resilience, supply chains, and technological cooperation, all critical components of IMEC's sustainability. Recent high-level exchanges, notably Chancellor Friedrich Merz's visit to New Delhi in January 2026, have focused on energy security, supply-chain resilience, and geopolitical risks, alongside defence cooperation and digital security (Ministry of External Affairs [MEA], 2026). This cooperation notably extends to critical technologies and supply chains (e.g., semiconductors and artificial intelligence governance), key to IMEC's broader connectivity and resilience logic.

This emerging pattern suggests that EU–India cooperation is developing through a layered architecture, combining EU-level frameworks with member state initiatives and minilateral formats. The trilateral partnership with France also shows that Gulf partners—particularly the UAE—are receptive to minilateral formats, especially when they combine security, connectivity, and economic cooperation rather than treating security in isolation. This set of initiatives provides a ready-made platform for operationalising IMEC security, particularly around port security, maritime routes, and critical infrastructure protection.

India's Role in Hormuz Diplomacy and Crisis Management

India's participation in the London conference on Hormuz reflects its growing engagement in multilateral efforts on Gulf maritime insecurity. In early April 2026, India joined

more than 60 countries in a UK-convened virtual meeting on restoring freedom of navigation through the Strait of Hormuz, represented by its foreign secretary (MEA, 2026). The London talks were structured around diplomatic and economic coordination rather than military intervention, with working groups addressing sanctions options, maritime safety, and shipping readiness. This aligns closely with India's own approach: New Delhi has avoided endorsing coercive enforcement or joining a US-led blockade, instead supporting multilateral, post-conflict or de-escalatory frameworks for securing the Strait. At the conference, India emphasised the importance of freedom of navigation, continuity of energy supplies, and the protection of seafarers. Its position aligned closely with that of the EU, prioritising diplomatic coordination and maritime safety over military intervention. India was also invited to participate in the UK–France-led initiative on securing the Strait of Hormuz. At an international summit in April 2026, France and the UK proposed an independent, strictly defensive multilateral mission, with more than a dozen countries offering to contribute assets. (Prime Minister's Office, 10 Downing Street, 2026).

Furthermore, India maintains working relations with Iran while also engaging closely with Gulf monarchies and Western partners. This gives it potential—albeit limited—value in sustaining communication channels and ensuring that diverse concerns are taken into account in these negotiations. Finally, India is not only diplomatically engaged but materially exposed through its important energy imports, its stranded vessels in the Strait, and the presence of many Indian seafarers in tankers and commercial ships (Reuters, 2026). India also remains operationally active in the Arabian Sea through its naval escort missions for Indian shipping. This strengthens its legitimacy in shaping regional outcomes.

For the EU, India's role in these negotiations confirms its role as a relevant stakeholder in Gulf maritime security and trade continuity discussions. It also suggests that EU–India

cooperation can be integrated into existing multilateral processes or new institutional arrangements which could emerge in the post-Hormuz crisis context.

Remaining Constraints

Despite strong convergence, several constraints shape EU–India cooperation. India’s commitment to strategic autonomy limits its participation in formal security alliances or coercive military operations. At the same time, the EU’s transatlantic ties with the US may produce divergent approaches. Threat perceptions also differ. While the EU emphasises legal frameworks and stability, India balances these priorities against regional diplomatic considerations, including its relationship with Iran, which has helped India negotiate some access to its own tankers.

EU institutional fragmentation further complicates coordination, as member state initiatives often operate alongside EU-level frameworks without integrating fully. Resource constraints and competing priorities on both sides also limit engagement. Finally, IMEC itself remains a long-term project with unresolved governance, financing, and implementation timelines.

Policy Pathways

In navigating the current crisis and building long-term resilience, EU–India cooperation should focus on a set of interrelated policy pathways.

Maritime Security Coordination

A first priority should be the development of a structured framework for maritime security in the Gulf around non-escalatory tasks. The emphasis should be on maritime domain awareness, convoy coordination when necessary, mine-countermeasure planning, legal coordination under the United Nations Convention on the Law of the Sea (UNCLOS), and protection of merchant shipping. This fits both the EU’s current preference for a

defensive navigation mission in Hormuz and India’s consistent messaging on commercial shipping and open sea lanes. The EU and India should also create a standing EU–India shipping security cell for the Gulf and North-West Indian Ocean, which would link EUNAVFOR, the Indian Navy, maritime operations centres, and major commercial shipping stakeholders for live risk assessments, routing advisories, incident reporting, and seafarer protection. They could also expand the existing cooperation from Atalanta/Aspides exercises to a regular exercise calendar (Pollmann, 2025). The next step should be annual or semi-annual drills covering escort procedures, boarding, communications, drone defence, mine awareness, and critical infrastructure incidents, including submarine cable attacks.

Security of Corridor Infrastructure

Second, security considerations must be directly integrated into the governance of IMEC. This includes not only the protection of physical infrastructure such as ports and logistics hubs, but also digital systems and undersea cables, which are increasingly vulnerable to hybrid threats. If IMEC is about future-proofing supply chains, then its security logic has to include ports, logistics nodes, energy interconnections, and especially undersea cables. Undersea cable resilience should become a specific operational strand of EU–India cooperation. This could include joint mapping of critical cable routes and landing stations relevant to IMEC; mechanisms for sharing information on threats and incidents; common contingency and incident-response protocols; and regular exercises involving cable disruption or sabotage scenarios. EU and Indian authorities should also establish channels for coordination with Gulf partners, cable operators, and relevant maritime authorities to improve surveillance, rapid fault attribution, repair access, and redundancy. The 2026 India–EU Security and Defence Partnership already includes cyber, hybrid threats, resilience, and protection of critical infrastructure (EEAS, 2026). Given how exposed Gulf shipping and energy systems are

to cyberattack, spoofing, jamming, and drones, EU–India cooperation should explicitly integrate those domains into an IMEC security pillar.

Cooperation With Gulf Partners

Third, India and the EU should coordinate with Gulf partners trilaterally, not only bilaterally. The most credible format is probably EU–India–GCC, with room for issue-based participation by Saudi Arabia, the UAE, and Oman. The goal would not be alliance-building, but practical cooperation on port resilience, emergency energy logistics, customs and data interoperability, and maritime incident response. This would align with the EU’s intensified Gulf engagement and the EU–GCC openness to work around IMEC. Here, existing minilateral formats should be leveraged and expanded. The India–France–UAE trilateral, in particular, offers a model for linking EU member state initiatives with broader EU–India cooperation, notably in the security field. Such cooperation should be understood as complementary to, rather than a substitute for, US involvement in IMEC. As a founding signatory of the corridor, the United States remains an important political and strategic stakeholder, while an EU–India–GCC format could provide a more focused mechanism for addressing regional implementation, infrastructure resilience, and maritime security issues among actors directly connected to the corridor.

Contingency Planning for Energy and Trade

Fourth, India and the EU need to design contingency mechanisms for energy and trade disruptions which could cover coordinated stock-release consultations, emergency shipping rerouting, priority treatment for key cargoes, refinery and fuel-market consultations, and protection of green shipping corridors. The point here would be to make

EU–India cooperation useful not only in deterrence, but in crisis absorption.

Diplomatic Coordination and Crisis Messaging

Finally, the EU should avoid presenting India solely as an alternate security provider in the Gulf or as a possible mediator, notably in the context of reduced US or EU involvement. The EU should rather work with India on crisis messaging towards freedom of navigation and civilian protection. The EU should not expect New Delhi to directly mediate Gulf disputes. India’s value is that it can reinforce a rules-based approach while still remaining a valued partner to multiple regional actors. The EU and India should institutionalise their coordination within emerging Hormuz diplomatic formats (e.g., UK-/France-led contact groups), ensuring that EU–India maritime cooperation feeds directly into multilateral planning on convoying, mine clearance, and shipping security. India’s participation shows that a non-US-led, rules-based coalition on maritime security is politically viable, something the EU and India can leverage to shape a post-conflict Hormuz mission consistent with their joint preference for defensive, non-escalatory engagement addressing Gulf security.

Conclusion

The current crisis in the Middle East has demonstrated how global trade and connectivity rely on secure, resilient maritime systems. For the EU and India, the challenge is both to address immediate disruptions and build a framework that sustains trade and connectivity amid uncertainty. EU–India cooperation provides a promising basis for meeting this challenge. By combining maritime security, connectivity initiatives, and diplomatic engagement, the two partners can contribute to the stability of the Gulf and the wider Indian Ocean region.

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04

The IMEC Peace Triangle: Structuring Economic Connectivity as a Platform for Regional Stability and Peace

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Abstract

The India–Middle East–Europe Economic Corridor (IMEC) was conceived to link India, the Gulf, and Europe through transport, energy, and digital infrastructure. Since its announcement in 2023, wars in Ukraine and Gaza, Red Sea shipping attacks, tensions involving Iran, and wider Middle East instability have exposed the vulnerability of concentrated trade and energy routes. These developments strengthen the case for IMEC while highlighting a constraint: Connectivity cannot be separated from the political and security conditions through which it must operate. This brief details EcoPeace Middle East’s IMEC Peace Triangle concept, centred on Israel, Palestine, and Jordan and linked to a wider network from the Gulf to the Eastern Mediterranean. It rests on four mutually reinforcing objectives: inclusive economic integration; geopolitical stabilisation and regional integration; climate resilience; and regional security cooperation. The argument is not that infrastructure can substitute for diplomacy; rather, well-designed connectivity can create economic interests in stability, incentives for cooperation, climate resilience, and shared security interests. Europe has a particularly important role as a source of capital, regulatory power, and a potential market for trade, electricity, and green hydrogen IMEC could generate.

Introduction: From Economic Corridor to Strategic Architecture

IMEC is an ambitious connectivity network linking South Asia, the Arabian Peninsula, and Europe. Announced at the 2023 Group of Twenty (G20) Summit, IMEC envisages maritime and rail connectivity, electricity and clean-energy infrastructure, and digital links between India, the Gulf, and Europe (Press Information Bureau, 2023). Its original rationale was economic: improving trade efficiency, reducing logistical barriers, and creating additional routes between major economic centres. Today, however, its geopolitical context has made connectivity increasingly strategic.

The war in Ukraine exposed Europe's energy dependencies; Red Sea attacks showed how regional insecurity can disrupt supply chains; and tensions involving Iran highlighted the exposure of the Strait of Hormuz and other maritime chokepoints. This gives greater importance to emerging rail and logistics connections between the Gulf, Jordan, and the Eastern Mediterranean.

In March 2026, Saudi Arabia Railways launched a 1,700-kilometre rail logistics corridor linking Eastern Province ports to the Al-Haditha border crossing with Jordan, with trains carrying more than 400 containers and cutting shipping time by roughly half compared with road haulage (Arab News, 2026). The corridor forms part of Saudi Arabia's wider logistics strategy and sits alongside accelerated Gulf railway links, including Saudi connections with Qatar and Kuwait (Husain, 2025). Such networks could provide additional options between the Gulf and Mediterranean ports.

Infrastructure, however, cannot operate independently of politics. The Israeli–Palestinian conflict, Gaza's destruction, Israel–Lebanon tensions, Syrian instability, and Iranian regional influence all create risks for long-term investment. Investors need confidence that borders will remain open,

infrastructure protected, and agreements honoured.

IMEC's economic success will therefore depend partly on whether it can support the political, environmental, and security conditions required for long-term connectivity; the Peace Triangle provides one framework for doing so.

The IMEC Peace Triangle

The Peace Triangle places Israel, Palestine, and Jordan at the centre of IMEC's Eastern Mediterranean component, as set out in EcoPeace Middle East's strategy work (EcoPeace Middle East, 2025a). The three countries occupy a strategic position between the Gulf and the Mediterranean: Jordan as a land bridge from the Arabian Peninsula; Israel with Mediterranean ports, technological capacity, and energy infrastructure; and Palestine as essential to sustainable economic development and a viable future state.

The triangle should not be interpreted narrowly; its potential economic geography extends towards Egypt, Lebanon, and Syria, subject to political and security conditions. The framework rests on four mutually reinforcing objectives: inclusive economic integration, geopolitical stabilisation and regional integration, climate resilience, and regional security cooperation. These objectives are interdependent: Economic integration can create constituencies for stability; political stabilisation can make investment possible; climate cooperation can address shared vulnerabilities; and security cooperation can protect the infrastructure from vulnerabilities that interdependent connectivity creates.

Inclusive Economic Integration

Economic integration should mean more than moving goods efficiently; it should create a regional geography in which countries and communities have a stake in maintaining connectivity.

The reconstruction requirements of Gaza, Lebanon, and eventually Syria will be enormous. International assistance will remain essential, but donor funding alone is unlikely to produce sustainable recovery; a more durable model would connect reconstruction to regional markets, logistics networks, energy systems, and private-sector activity. This requires deliberate sequencing: Public and multilateral institutions should first reduce political, regulatory, and infrastructure risks and finance feasibility studies and enabling infrastructure; institutional investors and private capital can then enter commercially viable projects, with guarantees, political-risk insurance, and first-loss capital bridging residual risks.

Public financing should mobilise private capital rather than substitute for it: for Gaza, by connecting reconstruction infrastructure to regional electricity, water, transport, and trade networks; for Jordan, by strengthening its role as a logistics and energy bridge; and for Lebanon and, when conditions permit, Syria, by creating a pathway back into regional markets.

The economic case is therefore inseparable from the political one: Countries that benefit from functioning regional networks acquire an interest in maintaining them.

Geopolitical Stabilisation and Regional Integration

Economic connectivity cannot resolve the Israeli–Palestinian conflict or substitute for political agreements, but it can help create conditions in which political agreements are made more economically meaningful.

A strategy that bypasses Palestinian territory may produce short-term political benefits for Israel but leave unresolved a central source of regional instability. Incorporating Palestinian infrastructure, markets, and future state institutions into the network can help create economic foundations for a viable Palestinian state.

This is consistent with recent international initiatives grounded in stabilisation, reconstruction, and economic resilience. The Global Alliance for the Implementation of the Two-State Solution and the New York Declaration place political settlement, reconstruction, regional cooperation, and international support within a broader framework (European External Action Service, 2024; United Nations, 2025). The Trump administration's 20-point plan for Gaza similarly links reconstruction, governance, security, and regional participation in a post-war framework (Reuters, 2025).

IMEC should not depend on any single diplomatic initiative; it can provide an economic implementation layer that complements broader diplomatic efforts. The same logic applies to normalisation. Projects requiring sustained cooperation can make normalisation tangible by producing practical benefits for governments and populations. Saudi Arabia and other Arab states have linked future normalisation with Israel to an irreversible pathway towards Palestinian statehood; an economically meaningful Palestinian component of IMEC could help bridge the political and economic dimensions of regional integration.

The objective is not economic normalisation for its own sake, but relationships that reinforce political stabilisation and make regional integration compatible with a durable two-state settlement.

Climate Resilience

Climate change is a major long-term risk to economic stability in the Middle East. Declining water availability, extreme heat, and ecosystem degradation affect agriculture, public health, energy demand, and national security, making water and energy cooperation central to IMEC's viability.

EcoPeace Middle East's Green Blue Deal for the Middle East argued that climate cooperation can create practical

interdependence around water and renewable energy (Bromberg et al., 2020). The same principle applies to IMEC: Climate resilience should be built into infrastructure planning from the beginning.

Middle East's Renewable Energy Export to Europe

The Middle East has enormous solar and wind potential, while Europe has substantial demand for low-carbon electricity and green hydrogen. This can be mutually beneficial: Gulf states can diversify their economies; Jordan and Egypt can attract renewable-energy investment; and Europe can diversify supply while advancing decarbonisation.

A 2025 Qamar Energy study commissioned for the IMEC Peace Triangle examined a Middle East–Europe renewable-energy corridor, identifying NEOM, southern Jordan, and the Egyptian Sinai as areas of strong renewable-energy potential and electricity and hydrogen connections towards Europe (EcoPeace Middle East, 2025b). The study also identifies Israel, Egypt, and Palestine (Gaza) as complementary energy-export nodes: the Sinai as a generation and aggregation point; Israel as a transmission and interconnection hub; and a reconstructed Gaza as a further node in the regional grid (EcoPeace Middle East, 2025b).

The study estimates that, configured this way, the corridor could ultimately supply as much as 30% of the electricity needs of major European economies such as Germany, Italy, and Greece at competitive prices, with Trieste as a natural energy gateway into continental Europe (EcoPeace Middle East, 2025b). These are indicative findings, not committed volumes, and would depend on investment sequencing, regulatory alignment, and security conditions.

Europe's role as a long-term buyer is important: Offtake commitments, regulatory certainty, and financial guarantees could help turn renewable potential into investable infrastructure.

Water–Energy Cooperation

Water and energy cooperation can similarly convert shared climate vulnerability into regional cooperation. The Israel–Jordan–UAE water–energy framework known as Project Prosperity demonstrates the principle: countries with different comparative advantages can exchange essential resources to improve water and energy security (Declaration of Intent, 2021; Memorandum of Understanding, 2022). Expanding such arrangements to include Palestinian needs, including Gaza reconstruction, could deepen interdependence at the heart of the Peace Triangle.

Regional Security Cooperation

Security cooperation is both a precondition for connectivity and a potential outcome of it. Cross-border railways, ports, electricity grids, pipelines, telecommunications systems, and water infrastructure require physical protection, information sharing, coordinated border procedures, and mechanisms for responding to disruption.

IMEC therefore creates an opportunity to develop infrastructure and security cooperation, which may be easier to initiate than broader military-security arrangements. Shared infrastructure creates shared interests: If Gulf investment, European markets, and Levantine economies are connected through long-term infrastructure, disruption in one part of the network can impose costs elsewhere.

The analogy with Europe's Coal and Steel Community is relevant, though imperfect: Placing strategic economic assets within cooperative frameworks can help transform security relationships (European Coal and Steel Community, 1951). A similar Middle East approach would seek healthy interdependence: interconnected systems with redundancy, shared protection mechanisms, and common interests in continuity, including joint protection of critical infrastructure, coordinated border and customs security, information-sharing, and responses to

disruption. Investors will also require credible security arrangements before committing capital, creating another incentive for governments to cooperate.

The relationship is therefore circular: Security enables investment; investment creates interdependence; and interdependence creates incentives to protect security.

The Three Catalytic Projects

Three catalytic projects illustrate how the Peace Triangle's four objectives can operate together.

Electrified Rail and Distributed Mediterranean Ports

A rail network connecting the Gulf through Jordan to Mediterranean ports could anchor IMEC's Eastern Mediterranean component. The objective should be a distributed network rather than a single dominant port, with Haifa, Gaza, Lebanese, and Syrian ports performing complementary functions. Independent analysis of Eastern Mediterranean chokepoint risk similarly argues that complementary corridor nodes offer a more resilient hedge against disruption (Hussain & Kafafy, 2026). Such a system could distribute benefits, provide alternative routes, and strengthen resilience.

A seamless rail connection could reduce transit time by approximately 40% compared with maritime routes, according to Atlantic Council analysis (Hussain & Shafer, 2025). This remains scenario-dependent, requiring continuous rail infrastructure, efficient borders, coordinated customs, and security arrangements. The project advances economic integration, Palestinian and broader regional participation, renewable electrification, and coordinated security.

Renewable Electricity and Green Hydrogen

The second catalytic area is an integrated renewable-energy corridor. Saudi Arabia, Jordan, and Egypt have major renewable-

energy potential, while Egypt, Israel, and Gaza provide possible interconnection routes towards Europe.

The Great Sea Interconnector, linking Israel, Cyprus, and Greece, is an emerging example of the infrastructure required to integrate Eastern Mediterranean electricity systems, with EU support as part of broader interconnection and energy-diversification objectives (European Commission, n.d.). Future development could connect Middle Eastern renewable generation to European demand through electricity cables and, eventually, green-hydrogen infrastructure, advancing climate resilience, economic diversification, European energy security, geopolitical interdependence, and infrastructure-security cooperation.

Water–Energy Exchange

The third catalytic area builds on Project Prosperity and the Peace Triangle's reinforcing objectives. A proposed expansion would incorporate Palestinian water needs, including a large-scale desalination facility in Gaza. Recent feasibility work has examined a potential facility with an annual capacity of 200 million cubic metres within a broader regional water system (EcoPeace Middle East, 2025c).

The strategic value lies not only in producing water but in reciprocal dependencies: Jordan can contribute renewable electricity while Israel and Palestine contribute desalinated water, improving water security, climate resilience, investment opportunities, and shared interests in protecting infrastructure.

Europe's Strategic Role

Europe is uniquely positioned to shape whether IMEC becomes a conventional trade corridor or a broader strategic connectivity network. It is a major trading partner for India and the Middle East, a potential market for renewable electricity and green hydrogen, a source of capital and regulation, and an actor with a direct interest in stability along its southern neighbourhood.

The EU has increasingly incorporated IMEC into its wider connectivity and Mediterranean strategies, describing it as encompassing transport, energy, and digital connectivity and contributing to trade, economic, energy, and security cooperation (European Commission, 2025). Global Gateway provides instruments for infrastructure investment, project preparation, and private-sector mobilisation (European Commission, 2021). European Parliament (2025) has noted that IMEC still lacks formalised multilateral governance, a public timetable, and dedicated European resources, underscoring the case for more specific European engagement.

Europe should therefore integrate IMEC into a Mediterranean and Middle East strategy; use Global Gateway and European financial institutions for project preparation; provide de-risking instruments; create long-term demand mechanisms for renewable electricity and green hydrogen; and use diplomacy to encourage inclusive connectivity and infrastructure-security cooperation.

Europe's importance therefore goes beyond financing: Europe is a market for the trade, electricity, and green hydrogen IMEC could generate, and its purchasing decisions can influence which regional projects become commercially viable.

India's Potential Contribution

India occupies a distinctive position within IMEC through its relations with Israel, the Gulf states, and the Palestinian Authority. This combination gives India a possible role in supporting political stabilisation around the corridor that few other actors can match, without replacing existing diplomatic processes.

A practical Indian contribution could include supporting Palestinian participation in regional economic planning, encouraging Indian private-sector investment in corridor countries, and cooperating with Europe and Gulf states on projects linking economic

recovery to regional stability. India's role should be complementary rather than mediating, helping ensure that IMEC's economic architecture supports regional stabilisation.

From Four Objectives to a Single Strategy

The Peace Triangle's significance lies in linking its four objectives: Inclusive economic integration provides the commercial foundation; geopolitical stabilisation provides the political conditions; climate resilience addresses resource pressures; and security cooperation protects infrastructure and manages interdependence.

A rail network that excludes conflict-affected economies may be commercially efficient but politically destabilising; a renewable-energy corridor that ignores water scarcity will miss a major vulnerability; and economic integration without security arrangements leaves infrastructure exposed. The four pillars should therefore be treated as a single policy architecture.

Policy Priorities

The immediate task is to move from IMEC as a broad political concept to a limited portfolio of practical projects. Translating the Peace Triangle into practice requires coordinated action by European institutions, regional governments, and international financial institutions: capital, regulation, and diplomacy; cross-border implementation; and project preparation and risk reduction.

European Union

The EU should integrate IMEC into a Mediterranean and Middle East connectivity strategy; align Global Gateway with reconstruction and development; support project preparation for rail, electricity, and water infrastructure; mobilise private investment through guarantees and other

instruments; create long-term demand mechanisms for renewable electricity and green hydrogen; support Palestinian participation in regional planning; and connect infrastructure planning with stabilisation and two-state diplomacy, including through Trans-Mediterranean Energy and Clean Technology Cooperation and EU–Gulf cooperation frameworks.

Regional Governments

Regional governments should harmonise customs and regulatory procedures, advance cross-border rail planning, implement water–energy agreements, coordinate electricity-market standards, ensure Palestinian participation, build redundancy into critical infrastructure, and develop shared protection arrangements.

International Financial Institutions

Development-finance institutions, including the World Bank, European Investment Bank, US Development Finance Corporation, and Islamic Development Bank, should focus on project preparation and risk reduction so private and institutional investors can enter once commercial conditions permit.

The Role of the United States

The United States has a distinct role, having initiated IMEC and served as a founding signatory alongside India, Saudi Arabia, the UAE, and the European Union at the 2023 G20 Summit (MEA, 2023). Sustained US political and financial engagement will likely remain important, given Washington's influence over regional security and Gaza's post-war reconstruction, though a full treatment lies beyond this brief.

Conclusion: Connectivity as a Strategic Instrument

IMEC should not be judged solely by whether it creates a faster India–Europe trade route, but by whether connectivity can reshape

economic relationships among the Gulf, the Eastern Mediterranean, and Europe. The Peace Triangle offers a framework built around inclusive economic integration, geopolitical stabilisation and regional integration, climate resilience, and regional security cooperation.

It does not assume that infrastructure can resolve political conflicts or that interdependence automatically produces peace; rather, it seeks to create conditions in which economic, environmental, and security interests reinforce political stabilisation.

For Europe, the stakes include diversified trade routes, resilient energy supplies, low-carbon markets, and greater stability along its southern neighbourhood. For Gulf states, IMEC offers diversification and connectivity; for Israelis and Jordanians, new economic, water, and energy relationships; for Palestinians, a link between reconstruction, viability, and state-building; and for India, deeper ties with Europe and the Middle East, and a more stable regional environment.

The realistic objective is to make connectivity part of a broader regional stabilisation architecture in which economic integration, diplomacy, climate cooperation, and security arrangements advance together. If achieved, IMEC could become more than a corridor: a framework through which economic interests, climate resilience, political stabilisation, and regional security reinforce one another.

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Planning for Economic Corridors

05

From Chokepoints to Choices: Europe and IMEC

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Abstract

Europe's interest in the India–Middle East–Europe Economic Corridor (IMEC) reflects a broader shift from efficiency-driven globalisation to strategic de-risking. Following a series of successive geopolitical shocks culminating in the 2026 Hormuz crisis, Europe has become more aware of the dangers of relying on single routes, suppliers, or gatekeepers. This policy brief argues that IMEC will not replace Suez or solve Europe's connectivity vulnerabilities on its own, but it can add valuable optionality to Europe's trade map. Its main promise lies in helping Europe deepen ties with India and Gulf partners, reduce exposure to Russian and Chinese leverage, and turn trade into geopolitical influence. At the same time, IMEC remains constrained by regional instability, financing gaps, slow infrastructure timelines, and its own exposure to Gulf risks. The key is to treat IMEC not as a single flagship corridor, but as part of a wider portfolio of routes, standards, and partnerships. If Europe can make it bankable and politically durable, IMEC could strengthen Europe's economic security by making coercion harder and choices more credible.

Introduction

Successive geopolitical shocks since the beginning of the decade—COVID-19, Ukraine, Trumpism, and most recently, Iran—have sharpened Europe's urge to diversify trade and connectivity corridors as part of a de-risking strategy (European Commission & High Representative of the Union for Foreign Affairs and Security Policy, 2023; Regulation (EU) 2024/1252, 2024). IMEC sits at the intersection of these shocks. Not a substitute for Suez or default shipping—and

still largely a macro umbrella project on paper, constrained by Middle Eastern instability—IMEC nonetheless holds significant geo-economic promise for Europe. It could help the continent translate its greatest comparative advantage on the international stage—trade—into economic security and geopolitical leverage at scale.

Power From Options

COVID-19 exposed how brittle long supply chains can be. Russia's full-scale invasion of Ukraine then forced Europeans to unwind old energy dependencies and seek transport routes that bypass Russia and Belarus (European Commission, 2022b; World Bank, 2023). The Gaza war and the wider unravelling of Middle Eastern security raised risk around the Red Sea, reminding Europe that safe sea lanes cannot be taken for granted. Europe's exposure to critical supplies from China and the pressure of Chinese imports on European industry have become harder to ignore (Zhou et al., 2024), as have the cumulative frictions with Washington. Taken together, these developments accelerated Europe's determination to widen its room for manoeuvre in defence, strategic infrastructure, raw materials, and export markets (Regulation (EU) 2024/1252, 2024).

Ukraine made the corridor logic immediate. Before 2022, the Northern Corridor (Trans-Siberian/China–Europe rail via Russia/Belarus) carried the bulk of rail freight between China and the European Union (EU) and served as a time-sensitive complement to maritime shipping. After the invasion, it became exposed to sanctions and commercially fragile; volumes shifted partially to the Middle Corridor and Russia's transit leverage weakened (World Bank, 2023). The EU's policy corollary has been to Russia-proof Eurasian connectivity: redesign routes to minimise exposure to Russian territory, curb sanction evasion, and deny Moscow the gatekeeper power that comes from controlling access (Council Regulation (EU) 2022/576, 2022; European Commission, 2022a).

The EU's operative concept lies in power and leverage that derive from diversification. Strategic autonomy in trade geography is created at the margin, through a portfolio of partially overlapping routes, interoperable standards, and partner deals that reduce single points of failure. Options do not end dependence; they change its terms by lowering the credibility of threats and widening bargaining space for both the EU and transit states. Europe's connectivity agenda is the attempt to turn that logic into infrastructure, standards, and deals (Kausch, 2026).

Europe's Connectivity Hedge

Europe is operationalising this diversification logic by shaping the routes, rules, and partnerships that underpin trade. De-risking, in this sense, is a simultaneous hedge against Chinese structural leverage, Russian coercion, and American volatility. Connectivity is the instrument that turns this logic into practice.

Europe is trying to lock in that diversification politically too, by deepening partnerships and advancing free trade agreements (FTAs) with India, MERCOSUR, and potentially other regions, thereby widening Europe's coalition of economically aligned partners. Even with Washington as an important political driver of and partner in IMEC, the initiative can indirectly reduce Europe's exposure to United States (US) import tariffs and political volatility by opening additional markets, supply chains, and value-chain partnerships beyond the transatlantic space.

Corridors sit at the centre of Europe's economic hedging approach because they shape how trade, energy, and data move. Corridors are bundled into infrastructure systems that encompass freight, energy pipelines, undersea cables, and telecommunications networks, and function as vectors of regional integration and development. For the EU, shaping the Eurasian corridor network means structural influence: shaping rules, locking in interoperable standards, and distributing dependence across

multiple nodes so that no single gatekeeper can stop traffic altogether (Kausch, 2026).

Global Gateway is Brussels' main instrument for translating this portfolio logic into projects through finance, standards, and regulatory support (European Commission & High Representative of the Union for Foreign Affairs and Security Policy, 2021). It has moved beyond its initial Africa-heavy focus, with growing attention to the Middle Corridor/Trans-Caspian segment to help pull Central Asia into non-Russian value-chain gravity (Pkhaldze, 2025). Yet scepticism towards the EU persists. The bloc's strengths—rule-based contracting, sustainability, and compliance—can also slow delivery; fragmented governance and cautious due diligence can make it difficult to match the speed, political decisiveness, and bundling characteristic of Belt and Road Initiative (BRI)-style offers (Ergenc & Yu, 2025). The de-risking wager is therefore double: build physical options while also fixing the EU's own implementation gap so partners believe it can deliver (Tagliapietra, 2024).

IMEC's Appeal for Europe

IMEC speaks to Europe's most acute vulnerability in fragile southern sea lanes, alongside the need to deepen economic ties with India and Gulf partners without routing through Russia, and without being structurally locked into a logistics system shaped mainly by China (van Veen, 2025).

IMEC, at present, is a political umbrella for sequencing port, rail, energy, and digital investments across an India–Gulf–Levant–Europe axis (Hussain & Shafer, 2025). Done right, it can (modestly) shift bargaining power, reduce exposure to coercive gatekeepers, and offer a credible routing concept for marginal volumes—especially time-sensitive and high-value cargo (Ghuloom, 2025).

It also has an intra-European political economy. France, Italy, and Greece have backed the idea enthusiastically, positioning their Mediterranean ports as Europe's

gateways. Germany tends to read it through the lens of green-molecule imports and industrial diversification. For Europe, IMEC's longer-term appeal is therefore not only logistical; linked to green hydrogen and other low-carbon fuel supply chains, it is thought to contribute to more diversified and politically resilient energy connectivity. Institutionally, IMEC sits awkwardly next to Global Gateway as it is not a dedicated EU programme with its own envelope. Still, it can be Global Gateway-compatible if Brussels uses its regulatory and financing tools to improve bankability—standards, procurement, interoperability, blending, and guarantees—while letting a wider coalition (India, Gulf states, the US, and selected EU members) carry the heavier geopolitical load.

IMEC's niche is clearest when set against alternatives. The Middle Corridor is Europe's main Russia-bypass land option and a Global Gateway priority, but it remains capacity-constrained and exposed to Caspian bottlenecks, regulatory fragmentation, and regional tensions. The International North–South Transport Corridor (INSTC), promoted by Russia, is designed to monetise sanctions-resilient north–south logistics via Iran. Following the 2026 Iran war, it is structurally hostage to Iran's sanctions status and war damage, and politically unattractive to Europe as a de-risking vehicle. The Iraq Development Road could become a partial substitute or complement to the Levantine segment, especially if it offers a less escalation-prone interface than Israel–Jordan under some political scenarios. In practice, Europe will hedge across these: IMEC as Indo-Mediterranean integration logic; the Middle Corridor as land redundancy; Suez as the unavoidable backbone; and selective north–south links as contingency tools.

The constraints are real. IMEC is slow infrastructure in a fast risk environment: Rail build-out, customs and data alignment, and a bankable project pipeline take years. The political precondition—minimum stability across the Gulf–Levant interface—is fragile.

Financing is another fault line: Unless Gulf capital, international financial institution (IFI) finance, and export-credit guarantees are stacked coherently, IMEC risks becoming a summit brand attached to disconnected upgrades. Finally, the corridor's western land bridge runs through the Levant's core fault lines. Efforts to link IMEC to Gaza reconstruction may broaden buy-in, but they also add conditionality and new veto points. In 2026, the Iran war and the subsequent closure of the Strait of Hormuz shifted IMEC's pitch from 'nice-to-have' to a hedge.

The Hormuz Shock

The de facto closure of the Strait of Hormuz and the ensuing energy crisis turned maritime security into an immediate European macroeconomic imperative (International Energy Agency, 2026b). Having swapped pipeline dependence for seaborne fuels after 2022, Europe felt the pain of replacing one vulnerability with another (Le Coq & Paltseva, 2026). Even if Europe's direct crude dependence on Gulf barrels is lower than Asia's, the shock hit Europe through several channels central to its trade and connectivity interests. The sudden disruption and repricing of seaborne energy (oil, refined products, and liquefied natural gas [LNG]) fed inflation and raised the import bill. Europe also experienced wider shipping effects as restrictions on tanker movements disrupted trade flows and increased transport costs (International Energy Agency, 2026a). Most notably, the Hormuz crisis upgraded freedom of navigation to an urgent, first-tier strategic interest (European Council, 2026).

For IMEC, the Hormuz crisis was paradoxical. It strengthened the case for corridor optionality, but at the same time, it highlighted IMEC's own constraints as the eastern maritime leg still interfaces with Gulf ports and therefore inherits Gulf risk. This is especially true as routing cargo from Arabian Sea or Oman-facing ports towards the Levant would require addressing the infrastructure gaps in port, rail, customs, and logistics at

the scale that would be needed for IMEC to function as a viable bypass.

IMEC can still be part of a contingency solution, if treated as a network rather than a single corridor, by shifting marginal, time-sensitive flows onto multimodal routing (for example, India to Arabian Sea/Oman-facing nodes, then rail to the Eastern Mediterranean), building redundancy across ports and storage, and using public risk-sharing so that insurance and finance do not become the binding chokepoint. In terms of de-risking, the lesson is not 'land replaces sea', which is not possible at scale. Instead, Europe's leverage comes from having bankable options when the main artery is clogged.

Conclusion: Turning Shocks into Leverage

Europe cannot de-risk by retreating from interdependence, and it cannot insure itself by wishing chokepoints away. The lesson of the 2026 Hormuz shock is that connectivity is now a first-tier strategic variable: Prices, contracts, and political decisions can close routes as effectively as missiles. In that environment, IMEC's value is not that it will displace Suez or rewrite geography overnight. If Europe helps make it bankable and politically durable, IMEC can add a layer of choice to Europe's southern trade map, deepen alignment with India and key Gulf partners, and reduce the leverage that comes from any single gatekeeper or corridor monopoly. Power from options, in practice, will be a portfolio of credible routes and partnerships that keeps Europe's economy open, but makes coercion harder.

From a European perspective, at least three variables will shape how far IMEC can function as a de-risking option over time: the political temperature across the Gulf–Levant region (not only armed conflict, but also the durability of working arrangements among key states); the corridor's degree of optionality in practice (whether IMEC develops into a set of usable choices rather than a single flagship line); and Europe's own consistency, including

whether EU institutions and member states keep political attention, financing tools, and regulatory alignment pointed in the same direction long enough for partners and markets to take the project seriously.

From these three variables emerge some practical pointers for the EU:

- **Pursue and market IMEC as an artery of a network portfolio, not as one flagship corridor.** EU policymakers should not treat IMEC as a single route but instead deliberately invest in an inclusive network of overlapping port, rail, energy, customs, and digital links that can absorb shocks and keep marginal flows moving even when main arteries are disrupted.
- **Engage India as a strategic connectivity partner, not merely as a market.** To implement that approach, the EU could seek to anchor IMEC in a wider EU–India connectivity compact as a larger bargain with New Delhi on trade diversification, supply chains, green energy, tech standards, and potentially West Asia crisis management.
- **Close Europe’s implementation gap.** To make IMEC credible and keep momentum going, political endorsement must be translated into bankable projects. The EU and leading member states should now boost efforts to align Global Gateway and other finance tools, standards, regional diplomacy, and political messaging behind a small number of projects that partners can actually see delivered.

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06

Integrating Planning Systems for IMEC

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Abstract

The India–Middle East–Europe Economic Corridor (IMEC) marks a structural shift in transcontinental infrastructure planning, moving trade connectivity from reliance on vulnerable maritime chokepoints toward a resilient, multi-pillar network linking South Asia, the Arabian Gulf, and the Mediterranean. To become a bankable and operational corridor, IMEC must move beyond static route maps and be structured and governed as a dynamic, multimodal economic network. For India, the priority is to translate IMEC’s external connectivity into domestic economic gains. Much of India’s industrial base lies inland, while export gateways remain concentrated along the coast. Bridging this divide through integrated spatial planning, multimodal logistics, and port-linked industrial development is essential to realising IMEC’s strategic value. The proposed Gati-Shakti Transport and Logistics Planning and Research Authority (GTLPRA), under the Cabinet Secretariat, can serve as the institutional anchor for this transition. This brief argues that IMEC’s success will depend on five mutually reinforcing pillars: integrated logistics planning; customs and data interoperability; sustainability and product-compliance systems; faster and lower-cost digital commercial settlement; and federated transport security. Sequenced through a delivery matrix, these reforms can speed up operationalisation of IMEC.

IMEC's Strategic Vision

Since the signing of the foundational Memorandum of Understanding at the 2023 Group of Twenty (G20) New Delhi Summit (Ministry of External Affairs, 2023), IMEC has often been presented as a linear transit corridor linking India’s western maritime gateways with Gulf ports, onward rail connections through

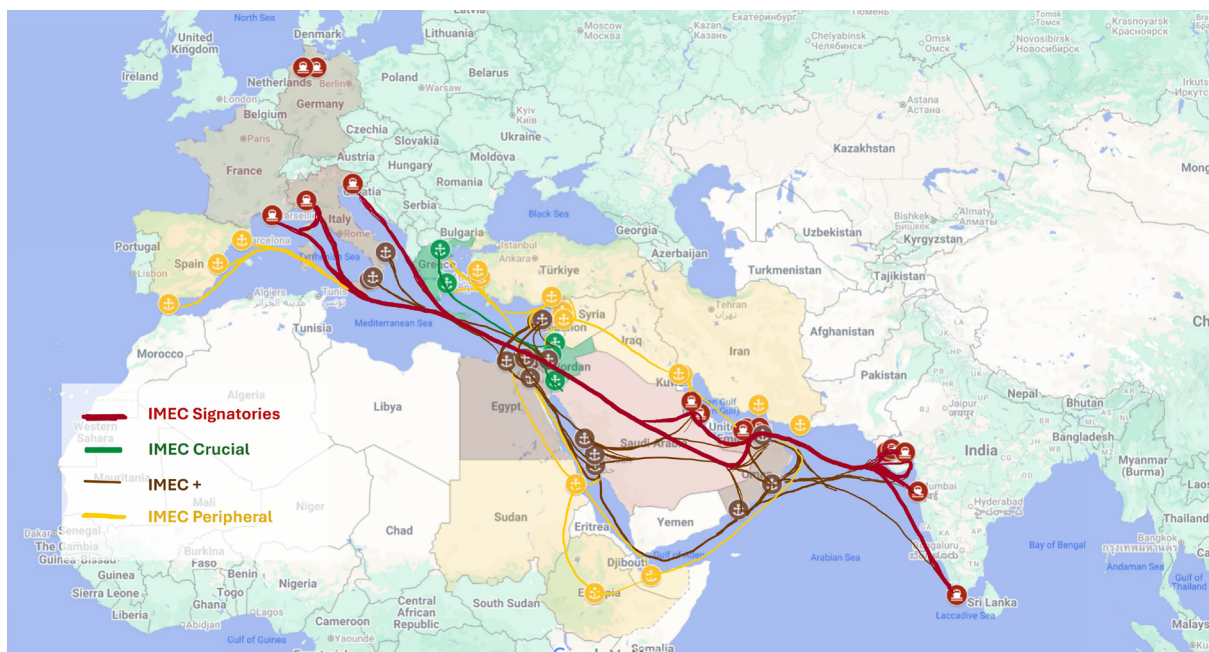
West Asia, and Mediterranean gateways to Europe. This framing is useful for route illustration but insufficient for policy design. A corridor exposed to regional conflict, political vetoes, and chokepoint disruptions in the Red Sea or the Strait of Hormuz cannot be planned as a single fixed line (Hussain & Kafafy, 2026).

IMEC should instead be developed as a flexible network of ports, rail links, logistics hubs, customs interfaces, and industrial nodes. Global shipping already relies on dynamic routing and redundancy; IMEC must mirror this logic by enabling cargo to shift across

maritime, rail, and terrestrial alternatives without administrative delay.

This network approach is also consistent with global port specialisation. East and Southeast Asian ports anchor manufacturing exports; Gulf and North African ports combine energy, bulk cargo, chemicals, and transshipment; and European gateways support high-value import, distribution, and re-export systems (Notteboom et al., 2026). IMEC's value lies in connecting these specialised functions into an interoperable economic network, rather than merely joining points on a map.

Map 1: IMEC as a Network of Ports and Nodes



Source: Authors' compilation and visualisation based on port locations derived from Google Maps (last accessed/updated 24 August 2026).

Note: Ports, routes, and countries are colour-coded based on the author's classification as follows: IMEC MoU signatories (red); countries critical to IMEC implementation that are not signatories (green); geographically important prospective partners beyond the current IMEC framework ("IMEC+") (brown); and countries currently peripheral to IMEC but potentially relevant as alternative routing options (yellow). IMEC = India–Middle East–Europe Economic Corridor; MoU = Memorandum of Understanding.

Disclaimer: This map is for illustrative purposes and does not imply the expression of any opinion on the part of CSEP concerning the legal status of any country or territory or concerning the delimitation of frontiers or boundaries. The authors or CSEP do not vouch for the accuracy and correctness of the map.

Oman Rerouting as Proof of Concept

Critics often describe IMEC as an aspirational route concept, arguing that terrestrial transit through West Asia cannot compete with established maritime routes. The early 2026

disruption in the Strait of Hormuz sharpened the case for a corridor network. Under normal conditions, ports around or inside the Strait handle roughly 33 million twenty-foot equivalent units (TEU) annually (Port Economics, Management and Policy, n.d.-b);

when flows were disrupted, regional actors activated the Omani deep-water axis as an alternative routing option.

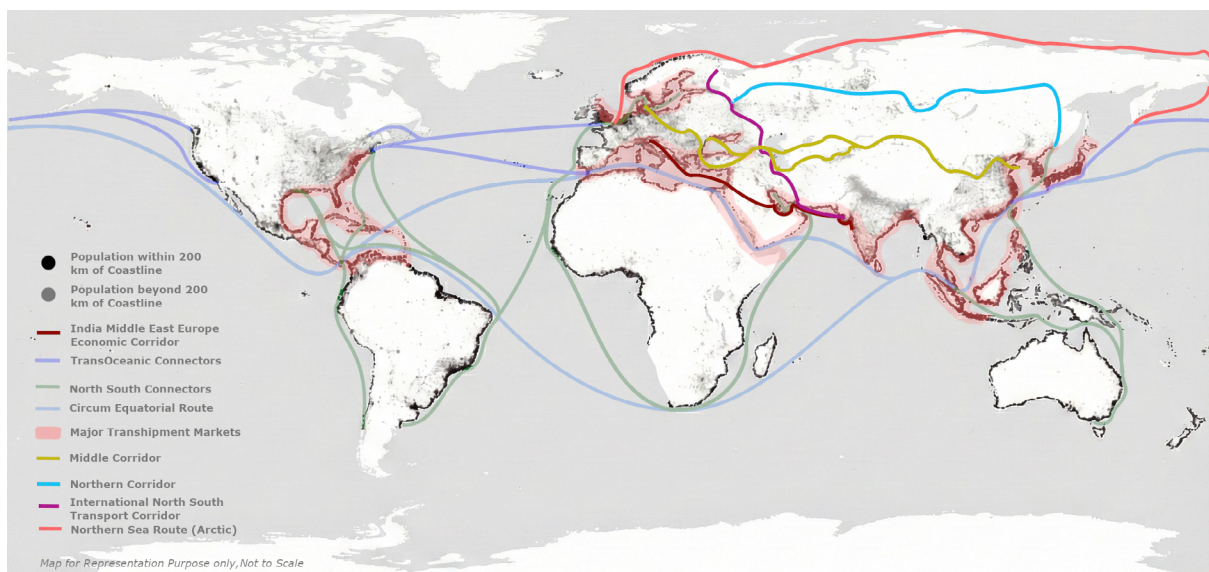
Cargo was rerouted overland to Oman's Arabian Sea ports, including Salalah, Duqm, and Sohar (Sen, 2026). Salalah's annual container handling capacity of 6.5 million TEUs demonstrated the availability of physical redundancy (APM Terminals, 2025). However, land bridge alternatives could absorb only a limited share of displaced maritime traffic (Port Economics, Management and Policy, n.d.-a) because administrative systems could not scale with rerouted cargo volumes. The episode showed that resilience depends on customs application programming interfaces

(APIs), port community systems, e-seal recognition, and aligned regulation rather than on infrastructure alone.

The Spatial Disconnect: India as a Geographic Outlier

Ports generate economic multiplier effects when they are embedded in dense networks of production, settlement, and hinterland connectivity. As Map 2 illustrates, dominant port regions are concentrated along major maritime routes and supported by coastal population clusters, industrial agglomerations, and high-capacity inland transport systems.

Map 2: Global Shipping Routes, IMEC, and Coastal Population



Source: Basemap derived through artificial intelligence-assisted analysis of Night Lights, Big Cities, a NASA Earth Observatory satellite composite created by Robert Simmon using Suomi NPP VIIRS data provided by Chris Elvidge, NOAA National Geophysical Data Center (Simmon, 2013). Maritime shipping routes concept adapted from Port Economics, Management and Policy (n.d.-c).

Note: The routes and regional classifications were drawn by the author using imaging software. The basemap does not depict political boundaries.

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East and Southeast Asia show the export-manufacturing model, while Europe, North America, and China demonstrate how major ports gain economic reach through Trans-European Transport Network (TEN-T) corridors, highways, rail, inland waterways,

coastal shipping, and river-delta logistics systems.

These models underscore India's divergence: its industrial centres are largely inland while export gateways remain coastal. Less than

15% of India's population and industrial clusters are within 50 km of the coast, while over 70% of industrial production originates beyond 200 km inland. For IMEC, hinterland integration through a reliable multimodal logistics ecosystem is therefore not a secondary issue; it is the condition for converting external connectivity into domestic economic value for India (Agarwal, 2026).

Structural Hinterland Bottlenecks

India's logistics ecosystem faces four structural constraints that limit the ability of ports to generate wider economic gains (Agarwal, 2026):

- **Fragmented warehousing:** Over 90% of Indian warehouses are smaller than 10,000 square feet, and 85%–90% of the sector remains unorganised. This drives logistics sprawl, congestion near port gates, and higher transaction costs.
- **Limited intermodal access:** While 80% of India's industrial clusters are near a national highway or rail line, fewer than 20% have access to functional intermodal logistics facilities. Less than 30% of logistics parks offer rail transfers, and under 8% connect to inland waterways, reinforcing road dependence. Separating bulk freight from containerised export–import (EXIM) cargo is essential to preserve rail and terminal capacity for IMEC-linked trade.
- **Production-logistics mismatch:** Logistics nodes remain poorly aligned with production centres, raising freight costs and delaying time-sensitive cargo, including perishable agricultural exports. Although 72% of inter-regional freight is domestic, domestic containerisation remains below 0.2%.
- **Weak spatial planning:** Transport planning remains project-based and mode-specific, without a national spatial framework for 100–150 logistics regions aligned with industrial growth hubs.

Institutionalising Governance Through the Gati-Shakti Transport and Logistics Planning and Research Authority (GTLPR)

The European Union (EU) offers a useful benchmark for continental transport governance. TEN-T, coordinated by the Directorate-General for Mobility and Transport (DG MOVE), integrates multimodal corridors, rail, inland waterways, ports, and logistics nodes within a common spatial and investment-planning framework. Its closest Indian counterparts are the PM GatiShakti framework, the Network Planning Group, and the Logistics Division's effort to align infrastructure plans across key ministries.

India has already begun bridging planning and data silos through PM GatiShakti, the Network Planning Group, the Unified Logistics Interface Platform (ULIP), and the Logistics Data Bank (LDB). However, these initiatives remain administratively located within the Ministry of Commerce and Industry/ Department for Promotion of Industry and Internal Trade (DPIIT), limiting their ability to enforce integrated transport planning across all infrastructure ministries (Ministry of Commerce and Industry, 2026). For IMEC, the next phase is to translate data integration into institutional authority over multimodal planning, appraisal, monitoring, and logistics policy.

The GTLPRA proposal would upgrade this architecture by shifting the Logistics Division, PM GatiShakti, and related logistics-data functions to the Cabinet Secretariat, giving the integrated transport-planning system greater authority, continuity, and cross-ministerial reach.

For IMEC, GTLPRA should perform four core functions: prepare a rolling National Transport Master Plan; conduct single-window technical appraisal of major infrastructure projects; integrate logistics datasets through

ULIP and LDB; and monitor project delivery and logistics-policy implementation. This would make GTLPRA India's institutional counterpart to the EU's DG MOVE/TEN-T-style corridor governance, adapted to India's federal and multimodal context.

GTLPRAs national role should be supported by state and city execution channels, so freight-flow models and infrastructure priorities translate into logistics-region planning, urban freight management, and last-mile connectivity. GTLPRA could also serve as India's institutional interface with transport and logistics authorities in the Gulf and other partner countries, supporting coordinated corridor planning beyond the India-EU relationship.

Centre-State Coordination for IMEC Gateway Ports

IMEC's Indian gateway system will likely combine major public ports, Centre-State special purpose vehicle (SPV) ports, and large non-major private ports. While Jawaharlal Nehru Port Authority (JNPA) and the upcoming Vadhavan port will be public anchors, Mundra (India's largest port and a leading container gateway) and Vizhinjam (a deep-water transshipment port) will be important IMEC nodes. Based on the author's calculations using Ministry of Ports, Shipping and Waterways data on port traffic and capacity for 2024-25, non-major ports already handle over 46% of India's cargo traffic and west-coast non-major ports operate at over 76% capacity utilisation; yet remain institutionally separated from centrally administered major ports.

GTLPRAs should integrate these gateway and feeder ports into a National Maritime Grid with defined cargo roles, hinterland links, berthing windows, service-level agreements, Master Application for International Trade and Regulatory Interface (MAITRI)-compatible data standards, and common security protocols. A Vadhavan-style Centre-State SPV

model can support new public capacity, while strong public gateways can preserve open access, tariff predictability, and competitive discipline. This framework should also inform the integrated transport security architecture for IMEC's mixed public-private port network.

From Corridor Connectivity to Economic Value

IMEC's corridor readiness can translate into trade, industrial, energy, and financial gains only if external connectivity is linked to domestic planning systems and competitiveness strategies. The governance architecture outlined above is therefore a means to convert corridor access into economic value for India.

Global Trade Analysis Project (GTAP)-based estimates indicate that IMEC can lower inventory, uncertainty, and working-capital costs, contributing to an estimated US\$3.535 billion gross domestic product (GDP) dividend for India under conservative assumptions, with stronger gains in time-sensitive sectors such as manufacturing, electronics, and perishable agricultural trade (Balasubramanian et al., forthcoming).

These gains require deliberate spatial alignment. Production-Linked Incentive (PLI)-supported sectors, Coastal Economic Zones, and IMEC-aligned Multimodal Logistics Parks should be planned together so that electronics, automotive components, pharmaceuticals, and other time-sensitive exports can capture the corridor's logistics advantage.

Trade-policy alignment will also be essential. India's Gulf trade architecture, including the India-United Arab Emirates (UAE) Comprehensive Economic Partnership Agreement (CEPA), and prospective India-EU trade arrangements can combine lower tariffs, shorter transit times, and predictable customs clearance to position IMEC as a wider economic integration platform.

IMEC should also support energy and clean-technology integration. Green hydrogen movement, subsea electricity links, cross-border grid coordination, and India's One Sun One World One Grid vision can connect Gulf renewable supply, Indian industrial demand, and European decarbonisation requirements.

Digital settlement is part of IMEC's economic architecture. Linking India's digital public infrastructure (DPI)/Unified Payments Interface (UPI) architecture with regional instant-payment systems such as the UAE's Aani, Europe's TARGET Instant Payment Settlement (TIPS)/Wero, and the Bank for International Settlements (BIS) Project Nexus can reduce correspondent-banking costs, settlement delays, and currency-conversion friction for exporters, especially micro, small, and medium-sized enterprises (MSMEs).

Realising these gains requires India's planning, customs, payments, sustainability, and security

systems to be dovetailed with corresponding Gulf and European frameworks.

Dovetailing Frameworks for Interoperability

The priority is interoperability across corridor nodes, building on existing Indian, Gulf, and European systems rather than creating new platforms. This requires alignment across infrastructure planning, customs data, digital payments, sustainability compliance, and transport security.

The EU's Global Gateway can support this process by de-risking strategic infrastructure, mobilising development and private capital, and extending TEN-T-style standards across IMEC nodes. GTLPRA-led project preparation will be essential to make IMEC projects bankable and eligible for blended finance.

Table 1. IMEC Interoperability Domains

Area	European/Gulf Framework	Indian Framework	IMEC Relevance
Customs	EU CSW-CERTEX/UAE systems	ULIP/MAITRI	Pre-arrival clearance and paperless cargo movement
Sustainability	CBAM/DPP/ESPR	CCTS/IoT-based MRV	Verifiable compliance for EU-bound exports
Security	EU transport-security standards	NTSA framework	Common protocols for multimodal corridor nodes

Note: CBAM = Carbon Border Adjustment Mechanism; CCTS = Carbon Credit Trading Scheme; CSW-CERTEX = EU Customs Single Window Certificates Exchange; DPP = digital product passport; ESPR = Ecodesign for Sustainable Products Regulation; IMEC = India–Middle East–Europe Economic Corridor; IoT = Internet of Things; MAITRI = Master Application for International Trade and Regulatory Interface; MRV = monitoring, reporting, and verification; NTSA = National Transport Security Authority; ULIP = Unified Logistics Interface Platform.

Cross-Border Digital Customs through MAITRI

ULIP and LDB provide India's domestic logistics data backbone, but IMEC also requires a cross-border customs interface that partner systems can recognise. Without such interoperability, cargo data generated in India risks repeated manual checks at foreign ports and border nodes.

MAITRI should serve as the corridor's digital customs bridge by translating standardised Indian cargo data into counterpart systems, including EU CSW-CERTEX, European port community systems, and Gulf customs and port community platforms. Scaling MAITRI across major and non-major IMEC gateway ports would enable pre-arrival processing, paperless clearance, and more predictable cargo movement across corridor nodes.

Sustainability and Product-Compliance Interoperability

EU regulations such as CBAM, EUPR, and DPP requirements will make verifiable carbon and product data central to IMEC-linked exports. Indian firms, especially MSMEs in steel, aluminium, cement, fertilisers, hydrogen, textiles, and consumer goods, will need auditable emissions and lifecycle data to avoid default carbon values, border compliance delays, or reduced market access.

India should therefore use IoT-based MRV systems to generate plant-level carbon and product-compliance data that can be attached to export documentation through ULIP, MAITRI, and partner customs systems. The domestic CCTS should be accelerated so carbon costs paid in India can be recognised against EU border liabilities where applicable. Data-governance arrangements, including secure cross-border data-hosting models where necessary, should support compliant information exchange between Indian, Gulf, and European systems.

Integrated Transport Security Architecture

IMEC will expand physical and digital interfaces across ports, rail corridors, logistics parks, customs systems, payment networks, and energy infrastructure. These risks are not fully covered by India's mode-specific security institutions, including the Bureau of Civil Aviation Security (BCAS) for aviation, the Railway Protection Force (RPF) for rail, the Directorate General of Shipping (DG Shipping) for maritime systems, and separate arrangements for energy infrastructure. This is particularly important because India's IMEC gateway network will include JNPA, Vadhavan, Mundra, and Vizhinjam across public, SPV, and private non-major port models.

Europe's transport-security approach increasingly links transport infrastructure, critical-entity resilience, and cross-sector

risk management across ports, rail, road, customs, and other essential systems (Directive (EU) 2022/2557, 2022). Gulf logistics hubs combine port security, customs risk management, free-zone controls, and critical-infrastructure protection (Gulf Cooperation Council Secretariat General, 2008, 2026). India therefore needs a comparable cross-modal security layer across public and private corridor assets.

India should establish a federated NTSA, anchored under the National Security Council Secretariat, to set common standards for IMEC-linked multimodal corridors. NTSA should classify assets into three tiers: strategic assets such as gateway ports, airports, subsea cable landing stations, and critical energy infrastructure; national networks such as rail corridors, expressways, pipelines, and power systems; and feeder nodes such as warehouses, non-major ports, truck terminals, and logistics parks.

Each tier should have proportionate security requirements, from full screening and Central Industrial Security Force (CISF) deployment at strategic assets to intelligence-led monitoring on national networks and certified compliance standards for feeder nodes. A dedicated cyber-physical function should audit supervisory control and data acquisition (SCADA) systems, port community systems, railway signalling, pipeline controls, and customs-data interfaces so that IMEC's mixed public-private logistics network operates under common security protocols.

Action Matrix and Priorities

To translate the IMEC policy vision into operational execution over the next 24–36 months, Indian authorities should focus on the following delivery priorities:

Table 2: India's Action Matrix for IMEC

Pillar	Immediate Decision/ Deliverable	Strategic Action Point	India Watchpoint/Priority
I. Integrated Planning & Port Governance	Operationalise GTLPRA-led corridor planning	Prepare a rolling National Transport Master Plan, define IMEC gateway and feeder-port roles through a National Maritime Grid, and use GTLPRA-led appraisal to package bankable corridor projects	Prioritise JNPA, Vadhavan, Mundra, and Vizhinjam for IMEC-readiness standards, including hinterland links, berthing windows, MAITRI-compatible data standards, and open-access safeguards
II. Digital & Financial Architecture	Define the IMEC v1.0 interoperability package	Link ULIP, LDB, MAITRI, port community systems, and partner customs platforms; pilot DPI/UPI-based low-cost settlement with Gulf and EU payment systems	Measure reductions in dwell time, paperwork, settlement delays, and MSME transaction costs at priority IMEC gateways
III. Infrastructure & Regulatory Harmonisation	Standardise intermodal operating protocols	Align port schedules, rail slots, terminal handoffs, e-seals, and service standards; deploy MRV systems for CBAM, ESPR, and DPP compliance	Prioritise MRV certification for exposed export clusters in steel, aluminium, textiles, fertilisers, and green hydrogen
IV. Security & Resilience	Establish a federated NTSA framework	Adopt common security protocols for multimodal corridor assets, including e-seals, trusted container lanes, cyber-physical audits, incident response, rerouting, and critical infrastructure protection	Adopt baseline security and redundancy standards for IMEC's mixed public-private, major/non-major port and logistics network

Note: CBAM = Carbon Border Adjustment Mechanism; DPI = digital public infrastructure; DPP = digital product passport; ESPR = Ecodesign for Sustainable Products Regulation; GTLPRA = Gati-Shakti Transport and Logistics Planning and Research Authority; IMEC = India–Middle East–Europe Economic Corridor; JNPA = Jawaharlal Nehru Port Authority; LDB = Logistics Data Bank; MAITRI = Master Application for International Trade and Regulatory Interface; MRV = monitoring, reporting, and verification; MSME = micro, small, and medium-sized enterprise; NTSA = National Transport Security Authority; ULIP = Unified Logistics Interface Platform; UPI = Unified Payments Interface.

Near-Term Priorities

IMEC can strengthen India's role in resilient Indo-Atlantic trade only if corridor ambition is matched by domestic execution. The immediate priority is to convert existing planning, digital, compliance, and security systems into an interoperable operating framework.

Over the next 24–36 months, policymakers should prioritise three cross-cutting interventions:

- **Operationalise GTLPRA-led integrated planning:** Shift planning, appraisal, logistics-data, and monitoring architecture under the Cabinet Secretariat and prepare a rolling National Transport Master Plan for IMEC-linked corridors.
- **Execute the MAITRI-partner customs bridge:** Scale MAITRI across major and non-major IMEC gateway ports so Indian cargo data can connect with EU CSW-CERTEX, European port community systems, and Gulf customs platforms for pre-arrival clearance.
- **Deploy MRV and NTSA readiness standards:** Support auditable MRV systems for CBAM/DPP compliance while establishing cyber-physical security, e-seal, tracking, and rerouting standards for IMEC-linked ports and logistics nodes.

If sequenced effectively, these measures can move IMEC from corridor concept to operational economic network, enabling India to convert external connectivity into trade competitiveness, logistics resilience, and secure market access.

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Trade, Logistics, and Economic Security

07

Quantifying IMEC's GDP Dividend and Charting an Action Agenda

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Abstract

The India–Middle East–Europe Economic Corridor (IMEC) could increase India's gross domestic product (GDP) by approximately US\$3.535 billion in the comparative-static Global Trade Analysis Project (GTAP) scenario examined in this brief, principally by converting faster transit into lower trade frictions. Potential dynamic effects from capital accumulation, productivity, and foreign investment are not quantified in this brief. The United States is the largest absolute beneficiary in the reported comparative-static results, at US\$3.908 billion, followed closely by India. IMEC is modelled as reducing India–Europe transit time by approximately 40%, represented by a 6.4-day saving from a 16-day benchmark. This acts like a sector-specific reduction in non-tariff trade costs without requiring an equivalent negotiated tariff cut. The modelled 6.4-day time saving produces particularly strong export gains for India in other manufacturing (+22.14%), computers and other electronic products (+17.65%), leather, motor vehicles and parts, textiles, and selected agricultural sectors. These gains depend on reliable transit, interoperable customs systems, and sustained regional security; conflict-related delays or rerouting would erode the corridor's efficiency and reduce the modelled GDP dividend. Realising these benefits requires an institutional coordination mechanism, alignment of Production Linked Incentive schemes with IMEC-connected clusters and domestic regional value chains, investment in perishable-goods logistics, and coordinated preparation for the EU–India FTA. India should therefore combine

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corridor governance with targeted industrial and agricultural logistics policies and prepare to implement the concluded EU–India Free Trade Agreement (FTA) alongside IMEC once the necessary legal procedures are completed.

Background and Strategic Context

IMEC was launched at the Group of Twenty (G20) Summit in New Delhi in September 2023 by India, the United States, the United Arab Emirates, Saudi Arabia, France, Germany, Italy, and the European Union. It comprises an eastern corridor linking India with the Gulf and a northern corridor connecting the Gulf with Europe through a combination of ports, railways, and trans-Mediterranean shipping.

Under the envisaged configuration, goods would move from western Indian ports to the Gulf, cross the Arabian Peninsula by rail, and reach European markets through Mediterranean ports and European freight networks. The corridor's economic proposition rests on reducing journey times, port dwell times, administrative delays, and uncertainty relative to existing routes.

IMEC could also provide strategic redundancy to the Suez Canal route. Its value, however, will depend on more than physical infrastructure. Customs procedures, border operations, technical standards, data exchange, security arrangements, and service reliability must operate as an integrated system. IMEC should therefore be treated as a governance-intensive trade-facilitation instrument rather than solely as an infrastructure project.

For India, the corridor could support deeper integration into global value chains while complementing domestic industrial policies, including Production Linked Incentive programmes. Its strongest effects are likely to arise where reduced transit time interacts with competitive production capacity, reliable domestic supply networks, and access to European and Gulf markets.

Analytical Framework

This brief estimates IMEC's effects using the GTAP model (Hertel, 1997) and GTAP 11 database, covering 160 regions and 65 sectors (Aguiar et al., 2022). The multi-region, multi-sector Computable General Equilibrium framework captures production, consumption, prices, bilateral trade, investment, factor markets, taxation, and intersectoral linkages.

The central modelling step converts IMEC-related time savings into product-specific reductions in trade frictions. The scenario adopts an approximately 40% reduction in India–Europe transit time, implying a 6.4-day saving from a 16-day benchmark and a post-IMEC transit time of approximately 9.6 days, conventionally rounded to 10 days (Tanchum, 2021). Each product category has a different per-day tariff equivalent because the economic value of faster delivery depends on factors such as perishability, inventory costs, supply-chain sensitivity, and demand responsiveness. The sector-specific estimates are based on the trade-time cost database developed by Minor and Hummels (2010) and mapped by the author to the corresponding GTAP sectors.

These reductions are introduced through the GTAP trade-facilitation variable *ams*, which represents greater efficiency in delivering imported goods. In policy terms, faster and more predictable delivery allows a given quantity of exports to reach its destination using fewer economic resources. The effect resembles a reduction in non-tariff trade costs, although no formal tariff rate changes.

Road vehicles receive the largest modelled reduction because their estimated tariff-equivalent of time is 2% per day. Applied to the scenario's 6.4-day saving, this produces a reported tariff-equivalent reduction of 12.8 percentage points. Electronics, perishables, vehicle parts, cereals, apparel, machinery, textiles, pharmaceuticals, and footwear also benefit, but to different degrees.

The model is comparative-static. It estimates how the economy would differ after the trade-efficiency shock while holding back dynamic mechanisms such as capital accumulation, productivity spillovers, induced foreign investment, and long-run relocation of supply chains. Those potential dynamic effects should be evaluated through a separately specified model scenario rather than added to the comparative-static result.

The wider literature identifies transportation delays and administrative frictions as material non-tariff barriers (Baldwin, 1970; Kee et al., 2009; United Nations Economic and Social Commission for Asia and the Pacific,

2019). Regulatory measures can, however, facilitate trade when they address information asymmetries, improve standards, and signal product quality (Beghin et al., 2012; Xiong & Beghin, 2011). The RCEP literature offers a related lesson: reducing avoidable non-tariff trade costs can yield significant benefits (Ratna & Huang, 2016), but regulatory harmonisation may be counterproductive where economies have different capabilities and levels of development (Cadot & Ing, 2015). For IMEC, the policy objective should therefore be interoperable procedures and mutual recognition where feasible—not uniform regulation for its own sake.

Table 1: Key Sectors—Tariff Equivalent of Daily Time Savings

Units: percentage share of world trade; percentage points per day

Sector	Share in world trade (%)	Tariff-equivalent trade cost per day (percentage points)
Road vehicles	7.0	2.0
Coffee, tea, cocoa, spices, and manufactures	0.5	1.1
Telecom and sound-recording equipment	4.4	0.9
Vegetables and fruits	1.3	0.9
Motor-vehicle parts	2.4	0.8
Cereals and cereal preparations	0.9	0.8
Articles of apparel and clothing	3.7	0.7
Power-generating machinery	2.6	0.6
Textile yarn, fabrics, and articles	2.3	0.6
Office machines and Automatic Data Processing machines	5.4	0.5
Medicinal and pharmaceutical products	2.9	0.3
Footwear	0.8	0.2
Crude oil	5.9	0.0
Coal, coke, and briquettes	0.5	0.0
Fertilisers	0.1	0.0

Source: Authors' Global Trade Analysis Project calculations.

Table 2: Total Tariff-Equivalent Reductions Under the 6.4-Day IMEC Scenario*Units: percentage points; days*

Sector	Tariff-equivalent trade cost per day (percentage points)	Days saved	Total tariff-equivalent reduction (percentage points)
Road vehicles	2.0	6.4	12.80
Coffee, tea, cocoa, spices, and manufactures	1.1	6.4	7.04
Telecom, sound recording, and electronics	0.9	6.4	5.76
Vegetables, fruits, and sugarcane	0.9	6.4	5.76
Motor-vehicle parts	0.8	6.4	5.12
Cereals and cereal preparations	0.8	6.4	5.12
Apparel and clothing articles	0.7	6.4	4.48
Power-generating machinery	0.6	6.4	3.84
Textile yarn, fabrics, plant fibres, and leather	0.6	6.4	3.84
Office machines, automatic data-processing machines, and business services	0.5	6.4	3.20
Medicinal and pharmaceutical products	0.3	6.4	1.92
Footwear	0.2	6.4	1.28

Source: Authors' Global Trade Analysis Project calculations.

Gross Domestic Product and Welfare Impacts

The simulations produce a positive aggregate result for most IMEC-related economies. Lower transportation and trade-facilitation costs reduce delivered prices, support consumption and investment, and stimulate exports among corridor participants. Higher import volumes partly offset these gains in GDP accounting but can also provide firms and households with more competitive inputs and final goods.

India's reported comparative-static GDP gain is US\$3.535 billion.

Table 3: Reported Comparative-Static Change in GDP Under IMEC*Units: US\$ million*

Region	Change in GDP
Saudi Arabia	+338.63
UAE	+1,486.97
US	+3,908.00
India	+3,534.50
UK	−90.25
EU-27	+1,948.00
Rest of World	−306.00

Source: Authors' Global Trade Analysis Project model output.

The United Kingdom and Rest of World aggregate register small negative comparative-static effects. Within the model, these losses are consistent with trade diversion: Some goods and trade flows shift towards IMEC-connected suppliers and routes. The results do not imply equivalent long-run welfare losses, which would require analysis of investment, productivity, route adaptation, and policy responses beyond the comparative-static scenario.

India's factor-market results reinforce the GDP finding. Wages for unskilled labour rise by 1.21%, wages for skilled labour by 1.32%, and returns to capital by 1.28%. These results

indicate that the modelled benefits extend beyond merchandise trade, although their distribution across workers, firms, states, and households would require further analysis.

Sectoral Opportunities for India

India's gains are concentrated in sectors where shorter delivery times can interact with existing or emerging production capabilities. The strongest export effects appear in other manufacturing and computers and other electronic products—sectors already covered, directly or indirectly, by major industrial and Production Linked Incentive initiatives.

Table 4: India's Highest-Impact Sectors Under IMEC

Units: percentage change from the model baseline

Sector	Output change (%)	Export change (%)	Import change (%)
Other manufacturing	9.46	22.14	7.89
Computers and other electronic products	1.05	17.65	2.48
Leather	2.07	7.69	4.71
Motor vehicles and parts	0.64	5.28	5.28
Crops not elsewhere classified	0.42	8.68	4.96
Cattle	0.21	5.16	2.16
Textiles	0.53	5.15	4.41

Source: Authors' Global Trade Analysis Project model output.

Other-manufacturing exports rise by 22.14%, the largest increase among the reported sectors, while output rises by 9.46%. Exports of computers and other electronic products increase by 17.65%, demonstrating the value of faster, more predictable logistics for high-value and time-sensitive products.

Leather, textiles, and motor vehicles and parts also expand. Equal reported growth in motor-vehicle exports and imports is consistent with deeper two-way supply-chain integration rather than a simple substitution of domestic production for imports.

Agricultural effects are more differentiated. Crops not elsewhere classified record an 8.68% export increase, while cattle exports rise by 5.16%. Shorter transit should be especially valuable for fresh and processed products whose commercial value deteriorates with delay. Policy support should therefore prioritise cold-chain capacity, certification, pre-clearance, and reliable handling rather than assume uniform gains across all agricultural commodities.

Rising imports of manufactured products and intermediate inputs are not necessarily a sign of industrial weakness. Where imports

support processing, assembly, and re-export, they can indicate deeper participation in international production networks. The policy test is whether domestic firms capture higher-value activities and whether import-dependent clusters remain resilient to disruption.

Geopolitical Considerations and Risk Factors

Regional Political and Security Conflict

The corridor's principal risk is disruption arising from regional political and security conflict, including the Gaza crisis and the broader Iran-related conflict context. The route depends on predictable access across Gulf, Jordanian, Israeli, and Mediterranean transport links; hostilities or heightened security concerns could interrupt rail and port operations, trigger rerouting, increase inspections and insurance costs, or constrain commercial access.

Such friction could lengthen transit and dwell times, reducing both IMEC's expected transit efficiency and the comparative-static GDP gains reported in this brief. The corridor therefore requires contingency routes, common security protocols, crisis communications, and operating plans that can preserve cargo flows when a particular segment becomes temporarily unavailable.

Multi-Party Governance Complexity

IMEC involves national governments, the European Union, transit jurisdictions, ports, rail operators, customs agencies, security authorities, and private logistics providers. Differing documentation requirements, technical standards, inspection practices, and commercial incentives could erode the time-saving advantage even where physical infrastructure is complete.

A standing coordination mechanism is therefore a functional requirement. Without agreed operating standards and enforceable service levels, IMEC could become a collection

of connected assets rather than an integrated corridor.

Competition and Complementarity with the Suez Canal

Egypt has expressed concern about transport alternatives that could divert traffic from the Suez Canal. IMEC should be framed as providing route diversification and system resilience rather than requiring the displacement of Suez-based trade. Commercial users will choose between routes based on reliability, time, cargo type, cost, insurance, and destination.

Strategic Competition with China's Belt and Road Initiative

IMEC is frequently presented as an alternative to China's Belt and Road Initiative. That framing may attract political attention and financing, but it could also encourage competitive responses or make operational decisions subordinate to geopolitical signalling. Corridor governance should remain focused on measurable trade performance, open commercial access, and financial sustainability.

United Kingdom Connectivity

The United Kingdom is not part of the core IMEC framework and records a small negative comparative-static effect in the model. India and the UK may therefore need separate bilateral arrangements covering ports, customs, shipping links, standards, and onward distribution if they wish to capture IMEC-adjacent trade opportunities.

Policy Recommendations

Establish an IMEC Coordination Authority

The immediate institutional priority is a permanent coordination body with representation from participating governments and relevant transit jurisdictions. It should:

- Harmonise or make interoperable customs documents and digital trade systems;
- Establish service-level commitments for ports, railways, border crossings, and cargo transfers;
- Coordinate technical and security standards;
- Provide an escalation mechanism for access, tariff, and operational disputes;
- Publish regular data on end-to-end transit times, dwell times, reliability, and disruption; and
- Maintain contingency plans for unavailable or insecure route segments.

Governance should precede large-scale commercial integration because infrastructure investment cannot deliver the modelled time savings if documentation, inspections, and cargo transfers remain fragmented.

Align Production-Linked Incentive Schemes and Domestic Regional Value Chains With IMEC

India should align relevant Production Linked Incentive schemes with the sectors showing the strongest modelled gains, particularly electronics, advanced manufacturing, automotive components, textiles, and pharmaceuticals. This should include linking eligible production and logistics investments to IMEC-connected ports and rail nodes and incorporating export readiness, delivery reliability, and standards compliance into programme design.

Port-proximate clusters should not be treated as isolated export enclaves. Leading industrial states will continue to supply components, materials, services, and specialised capabilities through domestic regional value chains. Policy should therefore strengthen the road, rail, digital, warehousing, and supplier-development links connecting inland production centres with clusters near ports such as Mundra and Jawaharlal Nehru Port (JNPA).

Prioritise Infrastructure and Clearance for Agricultural Perishables

The economic value of IMEC's time saving is particularly high for products vulnerable to spoilage, quality deterioration, or missed delivery windows. India should:

- Expand cold-storage, reefer-container, testing, and handling facilities at IMEC-connected ports;
- Digitise sanitary and phytosanitary documentation;
- Pursue advance certification and pre-clearance arrangements with Gulf and EU authorities;
- Improve traceability and conformity-assessment systems;
- Focus export promotion on fresh produce, selected crops, animal products, and processed foods where India has a defensible cost and quality position.

Physical cold-chain investments should follow agreement on target products and destination-market standards; otherwise, facilities risk being built without the certifications or cargo volumes required for effective utilisation.

Prepare to Implement the European Union–India FTA Alongside IMEC

The European Commission's January 27, 2026, press release described the EU–India FTA negotiations as concluded and identified legal revision, signature, European Parliament consent, and ratification as next steps (European Commission, 2026). India should prepare to implement the EU–India FTA alongside IMEC while completing the required legal and institutional procedures.

The two initiatives are complementary. IMEC addresses transport time, logistics reliability, and other trade frictions, while the FTA addresses tariffs, rules of origin, services, regulatory cooperation, and market-access conditions. Before entry into force, India should map the FTA's final commitments

against IMEC-priority sectors, prepare customs systems and exporters for compliance, and identify where corridor procedures can support utilisation of negotiated preferences.

Institutionalise Supply-Chain Diversification Incentives

India should use IMEC to position itself as a production and distribution base serving Gulf and European markets. Investment promotion, industrial clusters, export-processing facilities, and logistics zones should prioritise sectors in which the corridor materially improves delivered competitiveness.

Incentives should be conditional on credible supplier development, workforce availability, standards compliance, export-market access, and resilient logistics. The objective should not be to maximise port-proximate investment alone, but to connect corridor-facing clusters with domestic firms and workers while avoiding excessive dependence on a single transit route.

Conclusion

IMEC could become one of the decade's most consequential trade and infrastructure initiatives, but its economic value will come from reliable end-to-end operation rather than infrastructure announcements alone. The comparative-static GTAP scenario reported in this brief estimates an increase of approximately US\$3.535 billion in India's GDP, with the United States, EU-27, UAE, and Saudi Arabia also recording gains.

The corridor functions economically like a sector-specific reduction in non-tariff trade costs. Its modelled 6.4-day time saving generates tariff-equivalent reductions of up to 12.8 percentage points for road vehicles, with substantial effects for electronics, perishables, textiles, machinery, pharmaceuticals, and other time-sensitive products. India's strongest reported export gains occur in other manufacturing and computers and electronic products.

These gains are conditional. Regional conflict, border friction, incompatible customs systems, or unreliable cargo transfers could erode the time savings and reduce the comparative-static GDP dividend. A permanent coordination mechanism, resilient operating arrangements, alignment of industrial policy with domestic regional value chains, investment in agricultural logistics, and preparation for the implementation of the EU–India FTA are therefore integral to the corridor's economic case.

Potential dynamic gains from capital accumulation, productivity, foreign investment, and long-term supply-chain relocation remain outside the present estimate. They should be quantified through a separately documented dynamic scenario before being presented as part of IMEC's GDP impact.

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08

Stitching a Viable Corridor: Infrastructure, Connectivity, and Interoperability in IMEC

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Abstract

The India–Middle East–Europe Economic Corridor (IMEC) offers a strategic opportunity to diversify trade routes and strengthen supply-chain resilience, but its viability depends on closing critical physical, digital, and institutional gaps. The most significant constraints include the incomplete Gulf–Mediterranean rail connection, particularly through Jordan; limited interoperability among national customs and trade systems; and the absence of a sufficiently coordinated implementation architecture. This brief argues for fast-tracking missing rail infrastructure and cross-border transit arrangements, extending Master Application for International Trade and Regulatory Interface (MAITRI)-based digital integration, establishing national Sherpa or Envoy mechanisms, developing IMEC as a network of complementary routes, and strengthening coordinated security risk management.

Introduction: IMEC as a Connectivity Option

The structural fragility of global maritime trade accumulated through a sequence of crises that exposed the dependence of global trade on a handful of chokepoints. The first warning came in March 2021, when the container vessel *Ever Given* ran aground in the Suez Canal, blocking one of the world's most critical waterways for six days and holding up an estimated US\$9.6 billion in trade each day (Lloyd's List, 2021). This was not a geopolitical crisis but an

operational one, and it revealed how a single grounded ship could hold the global economy hostage.

In late 2023, Houthi militant attacks on commercial vessels in the Red Sea began in earnest, and this time the disruption did not clear in six days. The Suez Canal normally carries around 12–15% of global trade (Hussain & Shafer, 2025), but by the end of 2024, vessel traffic through the Suez Canal and Bab-el-Mandeb had fallen by approximately 75% (World Bank, 2025). Ships rerouted around the Cape of Good Hope instead, adding about 10 extra days to Asia–Europe journeys and generating additional costs (Coface, 2025). Additional war risk premiums for Red Sea transits more than doubled in July 2025, rising from 0.3% to at least 0.7% of a vessel's hull value (Lin, 2025).

In early 2026, the situation worsened. Following the military escalation on February 28, 2026, commercial transit through the Strait of Hormuz fell to a near halt. Average daily ship transits declined from 129 during February 1–27 to six during March 1–29, 2026, a reduction of approximately 95% (UNCTAD, 2026). In normal times, Hormuz handles around 33 million TEU every year—about 3.5% of all global container trade—and 20 million barrels of oil per day, which is 20% of the world's seaborne energy supply.

With disturbances at the Suez Canal as well as the Strait of Hormuz, two of the world's most critical trade passages were now compromised at the same time. This was no longer a temporary disruption. It was a structural crisis.

The disruptions observed since 2021, and their intensification from February 2026 onwards, underscore the rationale for IMEC, which was announced at the Group of Twenty (G20) Summit in New Delhi in September 2023. The Memorandum of Understanding was signed by eight parties: the Republic of India, the United States of America, the United Arab Emirates (UAE), the Kingdom of Saudi Arabia, the Italian Republic, the French

Republic, the Federal Republic of Germany, and the European Union (EU). The countries participating in the IMEC corridor have a combined gross domestic product (GDP) of approximately US\$53 trillion, nearly half of the world's total GDP, and represent a consumer market of almost 2.4 billion people. Additionally, the combined global trade of the participating countries is valued at US\$19.31 trillion. This makes the project a growth opportunity for both the global economy and the regions involved (World Bank, 2024). The India–European Union Free Trade Agreement announced in early 2026 further enhances the economic potential of this corridor.

Projected to cut transit time by 40% (Hussain & Shafer, 2025), IMEC is not meant to replace existing routes, but to offer an addition to the existing maritime routes—a way to spread risk and reduce dependence on any single corridor. It is also widely seen as the West's most serious response to China's Belt and Road Initiative. The corridor comes out as a viable strategic concept, but the conditions for implementation are not aligned yet. The Gaza war has frozen the corridor's most critical land segment—with Israel and Jordan constantly emerging as weak links—with no alternative routing around the Port of Haifa. Further, infrastructure gaps bring interoperability problems across different national systems, and the financial architecture displays complications.

Haifa Port's current container capacity of approximately 1.5 million TEU, with plans to expand it further, highlights the need to extend the corridor to additional countries and incorporate a broader range of maritime ports to strengthen maritime capacity and connectivity between the region and the Mediterranean. A 'Network of Corridors' approach could be a natural evolution of the IMEC route into a more inclusive and secure corridor. Countries such as Oman, Syria, and Egypt could be extensions of the current nodes of IMEC. If connected through an efficient physical and digital trade infrastructure, these additional nodes could replace roughly 60% of the container traffic that flows through the Strait of Hormuz and unlock upward of

US\$330 billion in trade (Hussain & Kafafy, 2026). This networked approach to the IMEC project hedges against the kind of disruption caused by the Houthi attacks in the Red Sea and the closure of the Strait of Hormuz.

In times of crisis, such as during the recent war, the entire logistics ecosystem can be severely disrupted. Under such circumstances, business priorities shift from cost efficiency and economic optimisation towards more transparent, reliable, and secure trade routes. This is where the importance of additional corridors, such as IMEC, becomes evident. These alternative routes ensure greater continuity of cargo movement during periods of geopolitical instability. Even where the cost benefits of such multimodal corridors may be limited, businesses may still prefer them over fully maritime routes because the additional cost can be justified by greater predictability, security, and continuity of cargo movement. In this sense, the value of multimodal corridors extends beyond cost savings to include risk mitigation and the ability to maintain trade flows during periods of disruption.

Physical Infrastructure: Backbone of IMEC

IMEC's viability ultimately rests not on political declarations but on the physical infrastructure that must address the concerns of its economic viability. The corridor's transportation spine was envisaged to run across three segments:

- **Maritime link (India to Gulf):** Connecting Mundra Port, Jawaharlal Nehru Port, and Deendayal Port (Kandla) in India to ports in the UAE and Saudi Arabia.
- **Rail and road bridge (Gulf to Mediterranean):** Crossing the Arabian Peninsula through Saudi Arabia and Jordan to Israel's Haifa Port on the Mediterranean.
- **Maritime link (Mediterranean to Europe):** Linking Haifa Port in Israel to Piraeus in Greece and ports in Italy and France.

The corridor's maritime nodes—spanning Indian, Gulf, and European ports—present the most operationally ready segment of the entire route, with scope for capacity expansions.

India's designated entry points are in the states of Maharashtra and Gujarat and include Mundra Port, Jawaharlal Nehru Port, and Deendayal Port, handling the highest container volume in India. The route from the western coasts of India to the UAE is already established and emerges as one of the most equipped nodes in the entire corridor. The other ports in the Gulf segment, including Fujairah and Abu Dhabi in the UAE and Dammam and Ras Al-Khair in Saudi Arabia, along with the Haifa Port in Israel, are actively upgrading their port infrastructure as part of their respective national infrastructure plans, like Saudi Arabia's diversification plans under the Saudi Vision 2030. Further, European terminals at Piraeus (Greece), Trieste (Italy), and Marseille (France) create a network of European ports for access to the large European region.

Rail and road in the Middle East region, being the most critical link in IMEC, are still the most incomplete component, with estimated route costs of US\$7.5 billion to complete the 2,700-kilometre rail line from Jebel Ali Port in Dubai to Haifa Port in Israel (Hussain & Shafer, 2025). Although on-groundwork has started in some segments, such as the Gulf Cooperation Council (GCC) rail network covering the UAE and Saudi Arabia, the rail infrastructure is completely missing in Jordan, which constitutes around 225 km of rail link between Al-Haditha at the Saudi–Jordan border and Sheikh Hussein at the Jordan–Israel border (Hussain & Shafer, 2025). Additionally, gaps in rail gauge compatibility, signalling, and electrification across countries, cross-border railway interchange terminals, and the absence of cross-border transit agreements add up to the missing links of the rail spine of the corridor. Without this rail bridge, IMEC risks being reduced to a formalised India–UAE shipping route, one that already exists commercially and carries no new strategic weight.

Digital Infrastructure and Trade Facilitation Architecture

Digital infrastructure acts as a key pillar for ensuring trade facilitation through smooth cargo movement and paperless trade, while streamlining the compliance aspects, regulatory processes, and cross-border information exchanges. In the case of IMEC, the digital architecture presents an equally consequential set of challenges as the physical infrastructure.

Significant costs are incurred, and delays are faced at every border point, the defining factors being customs clearance documentation, cargo tracking data, safety certifications, transit permits, and port entry approvals. These components take up significant time, something that IMEC is proposing to save. Currently, every country in IMEC processes these issues differently—on different systems and in different formats—while some have initiated bilateral architectures for streamlined customs facilitation. The trade facilitation action plans need to be underpinned by detailed analysis of the unique situation of each country, avoiding ‘one-size-fits-all’ approaches.

India and the UAE have jointly created a mechanism to address this digital gap through MAITRI, which was soft-launched with the India–UAE Virtual Trade Corridor in September 2024. This platform is intended to integrate multiple digital systems and enable the seamless exchange of documents and trade-related information among regulatory stakeholders through a unified interface (Hussain, 2025). The platform currently being developed between India and the UAE has the potential to be customised and expanded as the digital backbone of IMEC. MAITRI represents an economic imperative and not just a technical one. Originally introduced during the India–UAE Business Forum and developed by India’s state-owned engineering consultancy RITES, the India–UAE Virtual Trade Corridor (VTC) through the MAITRI platform is similar to the Association of Southeast Asian Nations (ASEAN) Single Window, which

recorded over 8,00,000 digital trade exchanges in 2020 alone (Hussain, 2025). MAITRI can potentially act as a baseline for creating a similar digital platform extending across IMEC countries, resulting in desired trade efficiencies through a common digital platform. The system is built around multiple maritime and customs-related message exchanges between key stakeholders. The timely completion and seamless integration of each of these exchanges will be critical to ensuring the streamlined and predictable movement of goods across borders.

The GCC countries are increasingly focusing on integrated logistics systems, with a strong emphasis on the overland movement of goods. Saudi Arabia’s Transport General Authority has confirmed the full readiness of the Kingdom’s fleet of more than 5,00,000 trucks to maintain freight services and supply-chain continuity across the country and the wider Gulf region (Trade Arabia, 2026). Similarly, DP World plans to add up to 35,000 truck trips per month, supporting both domestic and cross-border trucking for its customers across the GCC (DP World, 2026).

This growing trucking network creates a strong need for a digitally enabled trade corridor across the GCC and the wider Middle East. In this context, MAITRI could serve as a much-needed digital platform to facilitate the seamless cross-border movement of goods—not only between India and the UAE, but also across the broader GCC and Middle East corridor. By enabling timely information exchange and coordination among customs, transport, logistics, and other stakeholders, MAITRI could significantly improve the efficiency and predictability of cross-border trade.

However, national data sovereignty is one of the barriers to such integration, as governments are often reluctant to open backend systems where equivalent levels of protection cannot be guaranteed. Furthermore, digital readiness varies across IMEC signatories, which operate separate national and regional customs and trade facilitation systems, such as Saudi Arabia’s FASAH and the EU’s Customs Single Window Certificates Exchange (CSW-CERTEX) (Heyes,

2025). These sovereign systems are not yet integrated through a common corridor-wide standard, making seamless data exchange across IMEC a regulatory challenge as much as a technical one.

Nevertheless, MAITRI's announcement demonstrates that bilateral harmonisation of data and customs regulation is feasible and could serve as a replicable model for other signatories along the corridor. However, the digital system also needs to account for the different bilateral and regional trade agreements among the IMEC countries. For example, Saudi Arabia and the UAE are part of the GCC, which has unified economic policies and customs rules, while other IMEC countries may follow different trade systems. In addition, the IMEC corridor uses multiple modes of transport, including rail, road, and sea, which increases complexity.

Policy Priorities Towards Seamless IMEC Operations

The ultimate test for IMEC is not geopolitical; it is commercial. Global shippers select their routes on the basis of cost, transit time, security of cargo, and certainty of delivery. The objective is not to position IMEC as a competitor—designed to displace the Suez Canal or to defeat the Belt and Road Initiative—but to establish it as a reliable alternative, a structurally resilient option that provides genuine risk diversification for international freight.

That objective is achievable only when implementation matches ambition. The following policy priorities represent the minimum conditions that must be met within the near term for IMEC to transition from concept to reality.

Physical Infrastructure: From Planning to Ground-Level Implementation

- The development of the missing rail link in Jordan is a key physical infrastructure that needs to be fast-tracked to complete

the rail bridge linking the Gulf to the Mediterranean.

- Rail gauge compatibility, through the adoption of a common standard or the installation of gauge-changing facilities at key interchange points, needs to be established. Railways in both Israel and Saudi Arabia operate at 1,435 mm standard gauge, and the same standard should be used while developing the railway line in Jordan (Hussain & Shafer, 2025).
- Interchange terminals, with sufficient security infrastructure, should be established at each national crossing specifically the UAE–Saudi Arabia, Saudi Arabia–Jordan, and Jordan–Israel borders.
- Formalisation of cross-border transit agreements and transparency of procedures and regulations affecting trade, to ensure that physical connectivity and associated legalities are duly aligned.

Introduction of Sherpas from Participating Countries

- The Sherpa framework should serve as a single platform for collaboration among IMEC countries, supporting the implementation of trade facilitation reforms through enhanced information sharing. This includes the exchange of best practices and lessons learned, more effective operational coordination, and greater cooperation on standards-related procedures.
- Countries should continue to establish a 'Sherpa/Envoy' mechanism, whereby each participating country designates a national Sherpa/Envoy to coordinate its involvement. Countries such as Italy, the United States, Greece, and France have already made such appointments, and others should follow. This would enable more focused policy alignment within and among participating countries, given that multiple line ministries are involved in the broader IMEC framework.
- One of the roles of the Sherpa should be to streamline internal coordination while

also engaging with counterparts in other member countries. In this way, the Sherpa mechanism would function as a two-tier communication platform—facilitating coordination both within individual countries and across the IMEC architecture.

Extension of Digital Integration

- Establishing a Joint Working Group, co-chaired by India and the UAE¹, to accelerate digital integration across the IMEC region and oversee the phased expansion of the MAITRI platform.
- Completing a comprehensive trade process mapping exercise to harmonise stakeholders, systems, and terminologies across countries.
- Developing a technology interoperability plan based on common application programming interfaces (APIs), standardised data formats, and aligned cargo data fields, alongside the operationalisation of mutual recognition agreements (MRAs) to enable cross-border validity of key trade documents.
- Conducting regular technical and capacity-building workshops by India and the UAE to equip public and private stakeholders with the necessary expertise, ensuring coordinated, efficient, and scalable implementation of a unified digital trade ecosystem across IMEC.

IMEC as a Network of Corridors

- Expanding participation to include countries such as Oman, Egypt, and Syria could strengthen its overall effectiveness. The Port of Salalah in Oman has an annual container-handling capacity of 6 million TEU following the completion of its terminal upgrade (Port of Salalah, 2025) and is located outside the Strait of Hormuz. Egypt has long been a central hub for global trade through the Suez Canal, which can be connected to the corridor via Red Sea

ports in Saudi Arabia, such as Jeddah and NEOM. In Syria, DP World signed a 30-year concession agreement in July 2025 to develop and operate Tartus Port, including an investment of US\$800 million to upgrade its infrastructure (DP World, 2025).

These ports could offer additional access points to the Mediterranean. Multiple access routes within the Gulf can add to the existing capacity of IMEC, which was originally designed as a single-line corridor. Additionally, multiple routes can generate competitive cost structures for cargo movement within the corridor, addressing concerns about IMEC's economic viability.

Security Risk Management

- Sharing of information for risk management among the participating countries and implementation of more effective risk-based management processes for trade. The corridor must balance strong security with smooth, low-cost trade movement to address security risks. Tight security often slows movement and raises costs, while faster trade requires fewer checks and quicker clearances. IMEC will have to navigate through these complexities, ensuring cargo security while maintaining cost and time efficiency.

Conclusion

IMEC represents one of the most strategically significant connectivity initiatives of the current decade. Its multi-dimensional architecture—spanning maritime, rail, energy, and digital infrastructure—addresses real and growing vulnerabilities in the global trade system. The crises of 2021, 2023, and 2026 have provided enough demonstrations of the structural risk that IMEC is designed to mitigate.

The corridor is viable in design. Its geographic logic is sound, and its economic case could be efficient with proper infrastructure and linkages. There is a need to push the

¹ India and the UAE have already signed a Virtual Trade Corridor arrangement for development of the MAITRI platform.

institutional machinery, physical completeness, and diplomatic resolution necessary to convert ambition into operation. The gap between what IMEC could be and what it currently is remains large, but it is not unbridgeable. Its successful implementation requires definitive steps towards realising the vision that brought the corridor into existence.

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09

Can IMEC Deliver Economic Security for India and Europe?

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Abstract

The limited progress of the India–Middle East–Europe Economic Corridor (IMEC) is not just due to volatile regional geopolitics and persisting conflict. It has yet to convincingly commit to the economic security of all stakeholders. Supply chains running through IMEC are at severe risk of disruptions from unaligned digital trade facilitation standards; a lack of clarity on governance of subsea cables; and low convergence of digital trade rules among IMEC stakeholders. Addressing the rules deficits needs to be prioritised for IMEC to accelerate.

Introduction

IMEC was announced at the Group of Twenty (G20) Leaders' Summit in Delhi in September 2023. Its members include the European Union (EU), France, India, Italy, Germany, the United Arab Emirates (UAE), Saudi Arabia, and the United States (US). While not in the G20, Israel and Jordan are also key parts of IMEC.

Proposed as a multimodal transport corridor, IMEC will move goods from India to Europe through the Middle East by combining land and sea transits. Its shipping routes run from India to the UAE and Saudi Arabia, and from Israel to Greece and Italy. The routes will be linked by rail from the UAE and Saudi Arabia to Jordan and Israel.

IMEC's unique multimodal character complements its geo-economic significance. It aims to provide stakeholder security guarantees to industries and businesses moving goods, services, capital, technology, and data across a geopolitically

sensitive geography connecting the Indian subcontinent to Europe. The initiative underscores the recognition by its stakeholders, including India and Europe, of the need to safeguard the economic security of transit.

This policy brief explores the issues being faced by IMEC in enhancing economic security by increasing the resilience of supply chains and fostering seamless digital connectivity. The analysis is situated in the current context of heightened geopolitical uncertainty in the Middle East following the outbreak of the Iran war.

Supply-Chain Resilience

Significant risks for supply chains from disruptions in the Suez Canal were one of the prime movers behind the evolution of IMEC. The Suez is one of the world's busiest shipping routes and the shortest route for moving goods from Asia to Europe and vice versa. It accounts for 12–15% of global maritime trade and 25–30% of global maritime traffic (Helwa & Al-Riffai, 2025). Over the years, the route has become a chokepoint for major global supply chains due to its narrow width, which affects the mobility of large container ships and the attacks by Houthi militants that began at the end of 2023 as a consequence of the conflict in Gaza. As a result, global shipping lines had to frequently reroute cargo, leading to a considerable increase in shipping time. Shipping lines choosing to move cargo through the Suez have also had to pay higher insurance premiums for covering greater risks. Costs of shipping through the Suez have risen further due to repeated hikes in transit fees by the Suez Canal Authority.

The economic appeal of IMEC is in reducing transportation time for cargo from Asia to Europe. It is looking to cut transit time through a multimodal option combining water and land transits. Switching transportation modes, though, is not always easy for shippers. While containers might find switching easy, bulk carriers and oil tankers carrying loose cargo in large quantities, including liquid

cargo, might find it more difficult. This might create inefficiencies for supply chains—a problem IMEC will be keen to avoid. Efficient loading and unloading facilities for tankers and bulk carriers are essential for making it a preferred choice for all vessels.

Apart from efficiency, IMEC's overarching appeal is in its promise of making transit safe and secure. The promise stems from the implicit understanding of IMEC members assuring collective security for goods in transit. The assurance is critical at a time when the Iran war and political turmoil in the Middle East test the resilience of supply chains. The effectiveness of the assurance depends on IMEC's rules for safeguarding supply chains, which, unfortunately, are yet to be framed.

Several critical supply chains—hydrocarbons, food, fertilisers, semiconductors, automobiles, and pharmaceuticals—traverse the IMEC geography. Disruptions in these chains can cause widespread sourcing concerns and supply shocks. The current possibility of IMEC making rules for securing these chains is remote, given the difficulty of convening conversations and dialogues among stakeholders due to the Iran war. Without strict rules for guarding supply chains, IMEC will not become a preferred alternative to the Suez; nor will it be a viable option for rerouting traffic from the Strait of Hormuz, if required.

Recent examples of plurilateral regulations on resilience of supply chains can be instructive for IMEC. An important example is the Indo-Pacific Economic Framework for Prosperity Agreement Relating to Supply Chain Resilience, signed in November 2023 (Indo-Pacific Economic Framework for Prosperity [IPEF], 2023). The rules identify critical sectors and concentrations in their supply chains, along with options for diversification. The IPEF rules also focus on crisis response for addressing contingencies arising from fissures in supply chains. These latter rules are especially important for IMEC as they look to safeguard chains from unanticipated disruptions.

Building preparedness for unexpected shocks, like those from a sudden outbreak of military hostilities, requires sharing data between freight and logistics operators through digitally interoperable frameworks. IMEC is a long way from agreeing on common digital standards. This can improve its ability to identify alternative shipping, aviation, and multimodal transport routes for diverting traffic during unforeseen contingencies. These priorities are reflected in the agreement's preamble and Article 12, which emphasise secure data sharing between freight and logistics partners and coordinated responses to supply-chain disruptions (IPEF, 2023).

For IMEC to become an efficient and secure alternative to the unimodal routes through the Suez Canal and the Strait of Hormuz, the corridor must facilitate seamless intermodal transit for both perishable goods, such as food products, and non-perishable goods, such as cars and electronic products. As goods cross territorial borders and move through various customs jurisdictions, they should not face obstructions from incompatibility of border passage and customs clearance rules. These obstacles would inevitably create fresh chokepoints for supply chains.

It is intuitively obvious that IMEC's ability to secure supply chains and strengthen the economic security of its user countries and businesses will be determined by seamless digital connectivity. This, in turn, will depend on how neatly digital platforms and standards of various countries are woven into the overall digital connectivity landscape.

Digital Connectivity

Digital Infrastructure Initiatives

Digital trade capacities in the IMEC geography are emerging through specific initiatives. Foremost among these is the digital connectivity initiative between India, the EU, and Africa. The digital corridor between India, Europe, and Africa (Directorate-General for International Partnerships, 2025) will enable high-speed, secure data transmission across their respective territories through submarine

cables. Operated by Google, the corridor aims to bypass chokepoints in Egypt and the Suez Canal by travelling through Israel and the Gulf, respectively, via its 'Blue' and 'Raman' segments.

The initiative marks a direct collaboration between the EU and India on digital connections and is salient in its inclusion of Africa. Several parts of the African continent are expected to benefit from IMEC through the external economic benefits generated by new and modern multimodal connectivity. This makes Africa an important and implicit stakeholder in IMEC.

The overall digital capacities of IMEC will also increase significantly from Google's plans to build a hyperscale artificial intelligence (AI) data centre at Visakhapatnam in India's eastern coastal state of Andhra Pradesh. Google has described the initiative as 'anchoring' the next phase of India-US tech cooperation (Kurian, 2025, para. 2). Looked at in this respect, the US engagement in IMEC is getting spelt out through its Big Tech. The Google-built AI hub in Visakhapatnam can weave seamlessly with the EU-Africa-India Digital Corridor and make a substantive impact on the IMEC geography's digital capacities. It is noteworthy that the new capacities will bolster India's digital capacities on its east coast and complement existing subsea cables and digital networks on the west coast. Further capacities will be created through Meta's partnership with Sify to build a data centre and subsea cables in Andhra Pradesh (Sharma & Lohchab, 2025).

Subsea Cable Security and Governance

Notwithstanding these initiatives, prospective challenges for digital connectivity and ensuring economic security for digital trade actors remain significant. Ensuring the security of subsea optical fibre cables is a critical one in this regard.

The hardware for digital connectivity needs to be carefully safeguarded as plans for the upcoming AI data hubs at Visakhapatnam envisage the construction of multi-country subsea gateways 'bringing multiple international subsea cables to land

in Visakhapatnam’ (Kurian, 2025, para. 1). The new international subsea gateway at Visakhapatnam will add capacity and geographic diversity to India’s existing cable landings in Mumbai and Chennai (Kurian, 2025, para. 1). These augmented capacities could strengthen the speed and resilience of international data transmission, making security of cables an essential precondition.

Risks to subsea cables have increased significantly since the outbreak of the Iran war. Geographically, in the ‘Raman’ segment of the EU–Africa–India Digital Corridor, Oman is the only country bordering the Strait of Hormuz. However, this does not make the segment secure from disruptions in digital traffic caused by damage to subsea cables. The latter were, as it is, facing problems due to political volatility in the waters of the Middle East from well before the Iran war on account of Houthi incursions on the Red Sea and alleged tampering with cables (Gambrell, 2025). The risks now increase further from potential military actions in and around the Strait of Hormuz. The density of subsea cables in the Red Sea and Strait of Hormuz makes internet traffic routed through them particularly vulnerable to exogenous shocks. Threats from such shocks generate widespread economic insecurity given the high volume of cross-territorial digital trade and commerce between India, Europe, and the Middle East.

Economic insecurities from the malfunctioning of subsea cables are not attributable solely to planned targeting by malign actors; cables can also be damaged by heavy maritime traffic over specific stretches of water and by anchors dropped by large container ships. The possibility gains prominence if geopolitically volatile shipping routes like the Red Sea and Strait of Hormuz begin getting patrolled by naval and military vessels. The latter would be stationed and anchored in and around the volatile waterways as they aim to regulate the flow of maritime traffic along the two routes.

The implications of damage to subsea cables draw attention to the prospects of their

repair and restoration. Global and regional governance of subsea cables is still unregulated and can become a major hindrance to the efficiency of digital traffic across IMEC. Once the cables are broken, it is not clear which countries can authorise operators to repair them. Up until now, global governance of cables has proceeded primarily on good faith. Occasional damage and the consequent disruption in digital information flows have been addressed by rerouting digital traffic through other territories. This might no longer be possible after the Iran war that has destroyed political harmony in the Middle East and created a heavy trust deficit among countries.

Maintaining unimpeded digital connectivity in the IMEC geography requires clear authority of IMEC over the management of undersea cables. The latter are not governed by any enforcement authorities at present. While private consortiums comprising tech and telecom businesses run and operate the cables, their operating standards and risk mitigations are managed by global agencies like the International Telecommunication Union (ITU) and the International Advisory Body for Submarine Cable Resilience. Established by the ITU and the International Cable Protection Committee (ICPC), the Advisory Body is mandated to license, repair, and mitigate risks to submarine cables (International Advisory Body for Submarine Cable Resilience, n.d.). The extent to which the Advisory Body is empowered to engage in safeguarding undersea cables in territories of sovereign states is unclear. However, it appears to be the only agency with which IMEC can engage for securing digital connectivity and addressing repairs of subsea cables.

Digital Trade Rules

Seamless digital connectivity also requires alignment between digital trade rules. The existing and upcoming trade agreements between IMEC states and their provisions on digital rules become important in this regard. Negotiations on the India–EU Free Trade Agreement (FTA) concluded in January 2026, although the agreement has not yet

been signed or entered into force (European Commission, 2026a). India's Comprehensive Economic Partnership Agreement (CEPA) with the UAE has been in force since May 2022 (Government of India & Government of the UAE, 2022), while the India–Oman CEPA was signed in December 2025 (Department of Commerce, 2025).

The EU–India FTA has provisions on non-disclosure of source code for digital software, data protection, and privacy in Chapter 9 on digital trade, including Article 9.9 on source code (European Commission, 2026b). The India–UAE CEPA has rules for cross-border data flows and personal data protection in its Digital Trade chapter (Government of India & Government of the UAE, 2022). Both agreements also contain rules for online consumer protection and spam. These agreements do not establish comprehensive common rules governing safe and trusted cross-border use of AI technologies and data localisation (European Commission, 2026b; Government of India & Government of the UAE, 2022). However, the UAE–Israel CEPA contains provisions on cross-border data flows, personal data protection, and online consumer protection, while the UAE–Jordan CEPA also establishes a framework for digital trade (Government of the UAE & Government of Israel, 2022; UAE Ministry of Economy and Tourism, n.d.).

The bilateral FTA is important in advancing the EU–India partnership on IMEC. However, greater business participation requires more effective regulations enabling Indian and EU businesses to collaborate confidently in third-country markets along IMEC. Early conclusion of the India–EU investment protection agreement and the inclusion of AI regulations in the bilateral FTA can make a significant difference in this regard.

As noted earlier for IPEF supply chain rules, it might be instructive for IMEC to consider the digital rule provisions in FTAs involving the Gulf Cooperation Council (GCC). The Korea–GCC FTA, signed in June 2026 but not

yet in force, contains a dedicated chapter on digital trade, including provisions supporting cross-border data flows and cooperation on emerging technologies (Government of the Republic of Korea & Governments of the GCC Member States, 2026). The Korea–UAE CEPA, signed in May 2024 and in force since May 2026, also establishes a framework for bilateral cooperation in digital trade and advanced technologies (Government of the Republic of Korea & Government of the UAE, 2024). These agreements provide useful reference points for IMEC members seeking to align rules on data flows, emerging technologies, and cybersecurity cooperation. Although the Korea–GCC FTA and the Korea–UAE CEPA contain provisions on cybersecurity cooperation, they do not establish detailed common rules or enforceable obligations for safeguarding cybersecurity across jurisdictions.

The need of the hour is for digital trade rules among IMEC members to align in a manner that helps smooth cross-border digital interoperability and uninterrupted flow of data. This is ostensibly not easy, as significant gaps exist between the domestic data governance rules of IMEC members. In this regard, particular attention will be paid to the India–EU FTA and how it manages the issues of interoperable data standards and data privacy.

Conclusion

Both India and Europe are keen on the fast progress of IMEC. However, expeditious construction is contingent on effective participation of all stakeholders. As of now, India and the UAE are among the most active participants, with the EU demonstrably keen on fast progress. Other major stakeholders, notably Saudi Arabia and the US, are relatively slow in providing momentum. It is worth noting that while the Trump administration in the US has not yet been vocal in its support for IMEC, it has not backed out of the initiative either. The active participation of US Big Tech—Google and Meta—in building digital capacities in the IMEC geography underscores the interest of US businesses in the IMEC game.

Nevertheless, the perceived imbalance in stakeholder activism is a constraint that IMEC will need to overcome to move forward. As mentioned in the earlier analysis, IMEC's appeal lies not only in its efficiency, but also in its guarantee of collective economic security. The latter guarantee will remain unfulfilled in the absence of broader stakeholder participation. For India and Europe, it is imperative to mobilise the highest participation for IMEC. Otherwise, the non-alignment between members' rules and standards will continue to impair the security of supply chains and digital infrastructure, resulting in pronounced downsides.

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Data and Digital Infrastructure

10

Data Protection and the Limits of Connectivity: Regulatory Friction in IMEC

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Abstract

The successful implementation of the India–Middle East–Europe Economic Corridor (IMEC) would depend not only on physical infrastructure but also on efficient cross-border data flows for payments, customs, and logistics. This brief argues that differences between India’s Digital Personal Data Protection Act, 2023 (DPDPA) and the European Union (EU) General Data Protection Regulation (GDPR)—particularly India’s omission of contractual necessity and legitimate interest as general processing grounds—could impede the high-frequency, multi-party data processing on which modern logistics relies. Saudi Arabia adds further complexity through conditions on overseas transfers and potential data-localisation obligations; requirements may also arise under applicable Saudi cloud-computing and sector-specific rules, which may require additional assessments, infrastructure, storage, or locally compliant providers. Standard Contractual Clauses (SCCs) and Binding Corporate Rules (BCRs) offer firm-level mechanisms but cannot by themselves resolve corridor-wide fragmentation. In the near term, India and the EU could use the EU–India Trade and Technology Council to develop standardised logistics-transfer mechanisms and test a trusted-corridor arrangement. Once the relevant DPDPA provisions commence, Section 17(5) may provide a transitional route for targeted exemptions for defined IMEC logistics operators. Over the longer term, recognising contractual necessity and legitimate interest in Indian law would provide a more durable basis for interoperable corridor operations.

Introduction

This brief explores how gaps in India's DPDPA, along with its structural incompatibility with the EU's GDPR and the recently introduced data protection measures in the Middle East, potentially threaten the viability of IMEC. Touted as a geopolitical counter to China's Belt and Road Initiative (BRI), IMEC is expected to enhance connectivity between India, the Middle East, and Europe by integrating transport, energy, and digital infrastructure to facilitate trade, economic cooperation, and strategic alignment across regions. Recent geopolitical events have disrupted the original plans for IMEC, and participant countries are considering a recalibration. While mulling the redirection and repositioning of physical infrastructure, they must also consider a reimagining of the data protection regimes of major IMEC jurisdictions, namely India, the Middle East, and the European Union (IMEC, n.d.).

Why EU–India Data-Transfer Compatibility Remains Legally Fragile

The concluded EU–India FTA preserves each party's authority to adopt or maintain safeguards for the protection of personal data and privacy. However, this regulatory autonomy does not constitute mutual recognition of the parties' data-protection frameworks, confer an EU adequacy finding on India, or displace the GDPR's requirements governing transfers of personal data to third countries. The agreement's review mechanism may provide an opportunity to revisit the operation of its digital-trade provisions, but it does not suspend those requirements (European Commission, n.d.-a; Jaiswal, 2026). In the past, the Court of Justice of the European Union (CJEU) has struck down frameworks like the EU–US Privacy Shield for failing to meet the tenets of adequacy under the GDPR. It is likely that any agreement for data flows with India may meet the same fate, for three reasons.

First, India does not require a jurisdiction's adherence to its data protection norms for the legal transfer of citizens' data to that jurisdiction. Rather, it enforces a negative list of non-trusted jurisdictions to which data cannot be transferred. Conversely, the GDPR requires adherence to its frameworks that are enforced using instruments such as adequacy decisions and binding corporate rules (Bal, 2024).

Second, the EU may be uncomfortable with the wide-ranging exemptions granted to Indian government and law enforcement agencies under the DPDPA. Section 17(4) of the DPDPA exempts the State and its instrumentalities from obligations pertaining to the erasure of personal data and the correction or completion of data where the purpose of data processing by the State does not include a decision affecting the data principal. Section 17(2) broadly exempts notified State instrumentalities, by invoking interests of national security, sovereignty, diplomatic relations, maintaining public order, and preventing offences, from all provisions of the DPDPA. Section 17(2) would also seem to exempt the Central Government from adhering to the tenets of the Act in instances where notified instrumentalities furnish it with personal data (Bal, 2024).

Third, the lack of independence of the Data Protection Board, the data protection regulator, raises an issue of adequacy as well. Specifically, Section 19(2) of the DPDPA provides that the chairperson and members of the Board would be nominated by the Central Government (Bal, 2024).

Why the Digital Personal Data Protection Act Creates Friction for IMEC Logistics

Data protection laws around the world require businesses to process personal data on the basis of a specified legal ground. These include the consent of the individual concerned, contractual necessity, compliance

with a legal obligation, vital interests of the data subject or a third person, public interest, and the legitimate interests of the business or a third party, among others. Typically, there is no hierarchy among these grounds—i.e., businesses are free to rely on any ground that is most appropriate under the circumstances (Data Protection Commission, 2019).

Among these legal bases, contractual necessity plays a central role in enabling routine commercial transactions. Contractual necessity enables businesses to collect and process personal data that is “necessary” to fulfil contractual obligations towards an individual, or to take certain steps before entering into such a contract. Under frameworks such as the EU GDPR, the UK GDPR, and Brazil’s Lei Geral de Proteção de Dados (LGPD), businesses may process personal data where such processing is necessary to perform a contract with an individual or to take steps at the individual’s request prior to entering into a contract. This allows firms to process essential data—such as payment details, delivery addresses, and contact information—without requiring explicit consent at every stage of the transaction (GDPR, 2016, art. 6(1)(b); Information Commissioner’s Office, n.d.; LGPD, 2018, art. 7(V); UK GDPR, 2016, art. 6(1)(b)).

Legitimate interest performs a complementary role in enabling routine commercial data processing and is also a staple across data protection frameworks around the world. Broadly, it refers to the benefits or interests accruing to a business or a third party from a particular data-processing activity (Bioni et al., 2021; European Data Protection Board [EDPB], 2024; Personal Data Protection Commission [PDPC], 2022). Under this ground, businesses may process personal data where doing so is necessary for a legitimate interest pursued by the business or a third party, unless that interest is overridden by the interests or fundamental rights and freedoms of the individual concerned. In practice, legitimate interest can support ordinary commercial activities that may not fall neatly

within contractual necessity, including fraud prevention, certain billing and administrative functions, network and information security, and the deployment of security updates. This flexibility is particularly relevant to complex logistics networks, where personal data may need to be processed not only to perform the underlying transaction, but also to secure, administer, and verify it across multiple commercial actors.

Unlike most global data protection laws, however, the DPDPA fails to recognise either contractual necessity or legitimate interest as valid grounds for processing digital personal data. Under the DPDPA, businesses may process digital personal data of an individual only when she has given her informed consent for the same, or for certain “legitimate uses” specified under Section 7—such as the provision of state subsidies, benefits, or services, compliance with a judgment, decree, or order, and responding to a medical emergency involving a threat to the life of the person concerned (DPDPA, 2023, ss. 4(1), 7(b), 7(e)–(f)). These enumerated legitimate uses are distinct from the broader legitimate-interest ground recognised under frameworks such as the GDPR: They do not provide businesses with a general basis for processing where a commercial or third-party interest is sufficiently important and is not overridden by the rights of the individual.

The absence of both contractual necessity and legitimate interest consequently narrows the range of legal bases available for ordinary commercial processing under the DPDPA. This is especially significant for high-frequency, multi-party environments such as IMEC, where data may need to be processed not only to complete a transaction, but also for ancillary functions such as fraud detection, transaction administration, and systems security. In practice, this creates three challenges for the corridor.

First, it introduces transactional friction at scale. Digital commerce and logistics systems depend on rapid, automated processing of

personal data across multiple nodes—often without direct interaction between the data principal and each processing entity. Requiring granular, informed consent at each stage of this process would be extremely cumbersome.

Second, it would lead to systemic breakdowns in third-party data processing. Consider a standard logistics scenario: Company A wishes to ship goods to an individual, B, in India. To complete the delivery, the logistics provider must process B's personal data, including her name, address, and contact details. However, the logistics provider may have no direct contractual relationship with B, even though processing this information is necessary to complete the shipment. In the absence of an applicable non-consensual ground for processing, the provider may therefore have to obtain B's consent before processing the information required to complete the transaction. At corridor scale, where the same shipment may involve multiple carriers, freight forwarders, ports, and other intermediaries, repeating this requirement across several entities would create substantial transactional friction.

Third, the framework creates compliance asymmetries in cross-border supply chains, particularly within IMEC. The corridor is envisioned as a deeply integrated network of ports, railways, and digital systems spanning multiple jurisdictions. These systems rely on continuous data exchanges between shipping companies, customs authorities, financial intermediaries, and logistics providers. While entities operating under EU or other global frameworks can rely on flexible legal bases for processing, firms operating in India face rigid consent requirements that disrupt interoperability. This mismatch will potentially introduce delays, increase compliance costs, and incentivise firms to reroute operations through jurisdictions with more accommodating data regimes.

The Middle Eastern Leg Adds a Further Layer of Regulatory Friction

The data-protection problem within IMEC is not exclusively an India–EU problem. The Middle Eastern leg of the corridor also introduces transfer and, in some contexts, localisation requirements that must be incorporated into corridor design. Saudi Arabia's framework for personal data transfers outside the Kingdom, for example, imposes conditions concerning the level of protection available in the receiving jurisdiction and recognises mechanisms including standard contractual clauses and binding corporate rules; risk assessments are also required for specified categories of transfers (Saudi Data & AI Authority, 2024). Although Saudi Arabia's Essential Cybersecurity Controls 2024 removed the earlier explicit in-country hosting requirement, data-localisation obligations may still arise under applicable cloud-computing and sector-specific rules (O'Connell, 2024).

Not all of these requirements will apply to ordinary freight data. Nevertheless, integrated corridor systems may combine information relating to employees, drivers, insurance, security, payments, cloud services, and other regulated functions. Where localisation or transfer restrictions do apply, operators may have to maintain separate regional storage, duplicate technical infrastructure, conduct additional transfer assessments, or contract with locally compliant service providers. These requirements can increase both the cost and complexity of achieving the seamless data layer on which IMEC's physical connectivity will depend.

A Regulatory Pathway Forward for IMEC

Managing EU–India Transfer Risk

The means to overcome the legal challenges to data transfers between the EU and India, from the side of the EU, already exist:

Standard Contractual Clauses: SCCs are preset contractual provisions that can be included in contracts between a data exporter transferring EU citizen data and an entity in another country. SCCs set out how the data must be managed by the contracting parties. For instance, the Association of Southeast Asian Nations (ASEAN) Model Contractual Clauses (MCCs) mandate that data importers notify exporters about any data breach that affects data in their control (ASEAN, 2021, Module 1, cl. 3.10). SCCs enable European companies to transfer data to entities in third countries that may lack adequate data protection legislation, while ensuring that appropriate safeguards are maintained (European Commission, n.d.-b).

Under the GDPR, parties to a data transfer agreement that contains SCCs must carry out a transfer impact assessment. The assessment documents the specific circumstances of the transfer, the laws in the destination country, and the additional safeguards put in place to protect personal data, wherever necessary (Cumbley et al., 2020). In the event of a negative assessment, parties may only transfer data if they incorporate additional safeguards.

Binding Corporate Rules: Under Article 47 of the GDPR (2016), a company can rely on BCRs to transfer personal data within the enterprise. These BCRs establish legally binding and consistent data protection safeguards for transfers of personal data across the corporate group (Asian Business Law Institute, 2020).

SCCs and BCRs must, however, be understood as useful compliance tools rather than complete solutions to IMEC's regulatory fragmentation. SCCs give individual exporters and importers an established GDPR mechanism for transfers to third countries, while BCRs can provide safeguards for transfers within multinational corporate groups. However, they only provide limited relief in a corridor involving independent ports, shipping companies, freight forwarders, customs intermediaries, payment providers, and technology platforms.

BCRs are principally an intra-group mechanism, while repeated reliance on SCCs and transfer assessments across a large network of independent actors can create precisely the contractual and administrative friction that a trade corridor is intended to reduce. IMEC therefore requires a layer of corridor-level coordination above these firm-level mechanisms.

Addressing the Digital Personal Data Protection Act's Commercial-Processing Gaps

The gaps in India's data protection law vis-à-vis legitimate interest and contractual necessity can only be overcome through an amendment. In the short term, the Indian Government can carve out exemptions for activities that rely on contractual necessity under Section 17(5) of the DPDPA, to limit widespread disruption of fundamental economic activities. This includes the use of personal data for any transaction processing.

Notably, Section 17 is among the substantive DPDPA provisions scheduled to commence 18 months after the publication of the Government's November 2025 commencement notification (Ministry of Electronics and Information Technology, 2025). However, it is imperative for the Government to begin consultations to understand how it must be used to overcome the hurdles presented by the DPDPA in the short term. In the long term, India will have to amend its data protection law to recognise legitimate interest and contractual necessity as lawful purposes to process digital personal data without consent.

An IMEC Data-Transfer Workstream Under the EU–India Trade and Technology Council

One near-term option would be to establish an IMEC-specific data and logistics workstream under, or linked to, the EU–India TTC. The TTC already provides an institutional platform covering strategic technologies, digital governance, and digital connectivity, as well as

trade, investment, and resilient value chains. India and the EU have also expressly used the TTC to pursue interoperability between their respective digital public infrastructures (European Commission, 2025). Rather than awaiting a comprehensive resolution of EU–India data-protection differences, the TTC could develop a standard IMEC “transfer pack” for participating logistics actors. This could include agreed SCC modules, common transfer–impact–assessment templates, standard allocations of controller and processor responsibilities, baseline encryption and pseudonymisation requirements, breach-notification protocols, and interoperable notice and consent interfaces.

A related option would be a limited “trusted corridor” arrangement for participating ports, carriers, logistics companies, and technology providers that meet a common set of data-governance and cybersecurity requirements. Trusted-corridor status could reduce repetitive compliance by standardising documentation, audit requirements, and technical controls across participating entities. Importantly, such an arrangement should not be presented as displacing the GDPR’s legal requirements for international transfers: In the absence of an adequacy decision or another applicable legal basis, participating firms would still have to satisfy the GDPR’s transfer rules. Its function would instead be to make those requirements repeatable and interoperable at corridor scale.

Conclusion

IMEC’s success will depend not only on the construction of ports, railways, and other physical infrastructure, but also on the ability of data to move across the corridor with sufficient speed, legal certainty, and interoperability. The regulatory challenges identified in this brief show that physical connectivity cannot be separated from digital governance. Divergences between the DPDPA and the GDPR, particularly India’s omission of contractual necessity and legitimate interest as general grounds for commercial processing, risk introducing friction into ordinary logistics

operations. At the same time, cross-border transfer and localisation requirements in the Middle East, including those applicable in Saudi Arabia, add a further layer of compliance complexity for corridor participants.

These problems are significant, but they are not insurmountable. Existing mechanisms such as SCCs and BCRs can facilitate particular transfers, while Section 17(5) of the DPDPA may offer a prospective short-term route for targeted exemptions once it comes into force. In the near term, an IMEC-specific data and logistics workstream under or linked to the EU–India Trade and Technology Council, together with a trusted-corridor arrangement, could provide a complementary framework that reduces repetitive compliance and allows participating operators to work within common legal and technical standards. In the longer term, however, India would need to amend the DPDPA to recognise contractual necessity and legitimate interest as grounds for processing personal data without consent.

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11

Digital Public Infrastructure and Innovation: Navigating IMEC's Digital Integration Challenge

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Abstract

The software layer of the India–Middle East–Europe Economic Corridor (IMEC), needed to make trade data flow across India, the Middle East, and Europe, is the corridor's least developed but most consequential component for economic growth. It has so far advanced through bilateral initiatives rather than through a unified framework. This brief focuses on the India–European Union (EU) digital layer of the corridor and asks whether India's digital public infrastructure (DPI) stack (Aadhaar, Unified Payments Interface [UPI], and Data Empowerment and Protection Architecture [DEPA]) can connect to Europe's EuroStack. The main points of divergence concern identity and data governance, where India's centralised, consent-manager model runs into Europe's federated, General Data Protection Regulation (GDPR)-anchored privacy regime—making the direct deployment of India's DPI within IMEC difficult without appropriate legal, technical, and governance safeguards, including possible arrangements such as data embassies and privacy-enhancing techniques such as tokenisation. Payments are the most compatible layer, with concrete progress underway through the UPI–TARGET Instant Payment Settlement (TIPS) link—the multilateral Nexus model. The brief concludes that interoperability rather than exporting either India's or Europe's DPI stack offers the more realistic path. India–EU DPI integration is likely to progress first in payments, while identity and data-sharing remain more difficult to resolve.

Introduction

The India–Middle East–Europe Economic Corridor (IMEC) is structured around three interdependent pillars of transport, energy, and digital networks; of these, the digital pillar is the least developed, though arguably one of the more consequential ones for the long-term viability of the corridor and for building economic value.

The case for investing in digital corridors rests on several layers of economic logic. First are the cost savings and ease of doing business involved in seamless digital processing of information and payments. This allows small- and medium-sized retail businesses to enter export markets, where previously the costs of doing trade would have acted as a barrier. In turn, more market participants help increase the overall market size of the corridor. At the level of capital availability, the possibility of real-time payment settlement strengthens supply-chain financing structures, particularly in emerging markets where working capital usually acts as a constraint. A digital corridor also creates opportunities for new digital service economies, particularly in finance and investment services, that have easy pathways to build services on top of foundational layers.

At a time of heightened geopolitical contestation, creating digital corridors routed along alternative trade routes is also a key aspect to factor into the functioning of the global economy. At a basic level of risk-proofing, alternative digital routes lower the risks associated with digital chokepoints. However, infrastructure design also matters, insofar as the physical components used or transaction pathways designed are all potential vectors for influence, coercion, or strategic dependence. In building out alternative digital trade corridors, therefore, digital sovereignty considerations will have to be featured at multiple levels, from the infrastructure used to the means of transferring asset and financial data, as well as the actual physical route of the corridor. This also contributes to the viability

calculus of building an alternative transport corridor from Asia to Europe.

When we look at digital networks, they comprise a physical infrastructure layer of fibre-optic cables, data centres, and telecommunications networks as the base, with the software infrastructure layer built on top of this. The software layer is the focus of this brief. The brief assesses what it entails to build or harmonise existing digital architectures that cross three very different legal and technical jurisdictions, but will focus only on the India–EU segment of the IMEC corridor. The Middle East, for the purpose of this brief, is seen as an intermediary ‘transhipment’ corridor in that sense, vital to the India–EU DPI bridge insofar as its success will depend on the deployment of secure physical digital hardware, including terrestrial fibre and undersea cables that bridge the Gulf to the Mediterranean.

At the outset, it is important to clarify that there is no IMEC secretariat or body that is actively working on building out the connectivity corridor in a unified way. The progress made in the digital pillar along this corridor exists under bilateral pilots that are underwritten by bilateral agreements. This is seen in the ‘India–Middle East leg’ of the corridor, where the architecture that is being built out has focused on harmonising customs- and payments-domain-related digital infrastructure, and similar bilateral efforts are gaining momentum in the India–EU leg in the context of the recently concluded India–EU free trade agreement (FTA) negotiations, which, like the India–UAE Comprehensive Economic Partnership Agreement (CEPA), also includes a digital chapter. The India–Europe digital relationship, however, is more complex because it involves two significant digital regulatory powers, both with sovereign infrastructure ambitions, trying to interoperate across a governance divide. The challenge here, therefore, will not only be in finding technical solutions, but also in bridging the legal and regulatory differences that undergird these systems.

Adapting India's DPI Stack for IMEC

India's DPI stack as a product for use overseas is unusual in global terms because it was originally designed as public infrastructure—open standards, interoperable application programming interfaces (APIs), no single vendor, and designed according to domestic standards and regulations. Its architecture contains all three foundational DPIs—a unique identity in Aadhaar, a payments interface in the UPI, and a data utilisation-enabling centre in the DEPA. This full range of DPIs is known as the India Stack and is also what makes individual components worth assessing separately—as not all of them travel equally well overseas.

The first component of the stack is Aadhaar. This is India's national biometric ID system, deployed at a scale of 1.3 billion people. It has supported the delivery of state benefits at scale and helped reduce duplication and leakage in welfare transfers. While this in itself is not a selling point for an international corridor where average gross domestic product (GDP) per capita would far exceed emerging economy bands, the Modular Open-Source Identity Platform (MOSIP), an open-source national digital identity product that lays the foundations for simplified marketplace interactions, could be. MOSIP, developed at the International Institute of Information Technology Bangalore, is a modular, open-source foundational identity platform that enables governments to build and control their own national digital identity systems. Its API-first and vendor-neutral architecture allows countries to customise the platform and select their technology providers (MOSIP, n.d.). As of 2025, MOSIP reported 14 national rollouts including Ethiopia and the Philippines, alongside pilots and other country engagements (MOSIP, 2025). In assessing MOSIP for IMEC, however, it would come up against strong European privacy protections when considered as an identity-level authenticator for the corridor.

The layer built on top of the identity layer is the payments layer. UPI is technically a protocol and not an application. As such, it allows for third-party applications like Google Pay, PhonePe, and Paytm to build on top of the National Payments Corporation of India (NPCI)-governed protocol and then compete on the basis of user experience rather than on proprietary payment rails. It is this feature that makes it a standout in the global payments landscape for two reasons: UPI's formula— instant, free transfers, and an open protocol— is market-friendly, and its NPCI-governed UPI protocol can be designed for interoperability internationally.

Above the payments layer of the India Stack sits the data exchange platform layer, known as the DEPA. Domestically, this builds on the identity and payments layers to establish a history of transactions and thereby empower an individual to access a broader range of financial services, such as loans, insurance, and other wealth products. This layer completes the loop for India's domestic marketplace because this is where it opens to market possibilities, by linking to credit networks and e-commerce marketplaces like the Open Network for Digital Commerce (ONDC). This layer does not immediately integrate with the European geography owing to legal differences on data privacy and storage that would have to be resolved prior to data exchange.

As is observed, India's DPI model was designed for the Indian use case, and not all parts travel equally well—without design modification or change in legal codes. While altering product design to fit different use cases is one way to do it, establishing interoperability in protocols rather than as a modified 'export' (like MOSIP) is another way. This option is also more useful for a cross-border system like IMEC that seeks to harmonise across jurisdictions that already have established views and set-ups in place that govern digital identity, data storage, and exchange in their geographies.

The EuroStack Identity and Data Layer: Architecture, Actors, and Compatibility Challenges

When one compares India's DPI in relation to the EuroStack—Europe's DPI—the two stacks are being built from very different design philosophies, in particular where the identity and data storage layers are concerned. In this layer, while the India Stack relies more on centralised biometric IDs as the authentication anchor for the stack, in the EuroStack, the EU digital identity wallet is the centrepiece, which operates on a member-state/federated level and does not require a central biometric registry.

This architectural difference between the two stacks—centralised biometric vs federated attribute-based identity—is not merely technical. It reflects a values divergence that goes to the heart of what each stack is for. The EuroStack places greater emphasis on a Europe-first policy that aims to prevent its region from becoming a digital colony (to US Big Tech or potential Chinese embedded surveillance), and puts an emphasis on democratic values, digital rights, and data protection as part of its core design. It contrasts with India's approach to data governance, which does not make it the centrepiece, but rather a facilitator of larger objectives in building out the nation (Teewan et al., 2025).

Technically, what it looks like is a sector-specific, federated approach to data sharing routed through European Data Spaces and Gaia-X (which is a set of standards and services that filters for European data adequacy requirements) that comes up against the India Stack's DEPA single consent-manager model with a unified API standard. Aligning the two would require either India adopting the European Data Spaces governance model for cross-border flows, which would be a tall order politically, or both sides agreeing on a mutual recognition regime, which is technically complex and without clear precedent. In the absence of a GDPR (the European data governance law) adequacy decision for India, every data-sharing component of any India–

EU DPI integration would remain legally uncertain at the EU end (Tyagi, 2025).

The EuroStack Payments Layer: Architecture, Actors, and Compatibility With UPI

At the payments layer, however, India and the EU would be building a bridge between two more compatible systems.

To briefly explain the EuroStack's payments layer, it is not a single system but a three-tier stack of infrastructure:

- At the settlement tier, the European Central Bank (ECB) operates TIPS—the central bank money infrastructure that provides the foundation for all euro-denominated instant transactions.
- On top of that lies the scheme tier, Single Euro Payments Area (SEPA) Instant Credit Transfer, which defines the rules and message standards that payment service providers must follow to participate in European instant payments. Its regulatory mandate is similar to what the mandate of the Reserve Bank of India (RBI) has done for UPI bank participation.
- The third layer is the application layer, where Wero, the European Payments Initiative's digital wallet, is being developed as a pan-European account-to-account payment solution built on instant payment infrastructure (European Payments Initiative, 2024).

There are two technical routes by which UPI connects to the EuroStack payments layer. These are currently operating in parallel and at different stages of maturity.

Route 1—The bilateral UPI–TIPS direct link: In November 2025, the ECB Governing Council decided to start the realisation phase for interlinking TIPS with UPI, while completing the legal arrangements and technical implementation in parallel (ECB,

2025a). The bilateral link is a direct protocol bridge between the two settlement systems—RBI/NPCI's UPI on one side, ECB/TIPS on the other—and is purposefully designed to service cross-border remittances.

Route 2—The Nexus multilateral hub: Running alongside the bilateral link is Europe's participation in Project Nexus, a multilateral model developed by the Bank for International Settlements (BIS) Innovation Hub to connect domestic instant payment systems globally. Rather than requiring each system to build custom bilateral connections, the Nexus model allows each participating system to connect once to a common platform and reach the other systems on the network (BIS, 2024). In 2022, the BIS Innovation Hub built a working prototype that connected test versions of Eurosystem's TARGET Instant Payment Settlement (TIPS), Malaysia's Realtime Retail Payments Platform (RPP), and Singapore's Fast and Secure Transfers (FAST); the results were published in March 2023 (BIS, 2023). In 2025, the central banks of India, Malaysia, the Philippines, Singapore, and Thailand incorporated Nexus Global Payments to take the project towards live implementation (BIS, n.d.). ECB is exploring the feasibility of connecting TIPS to Nexus Global Payments while completing the necessary legal arrangements and agreements (ECB, 2025a).

These two routes are complementary rather than competing. The bilateral UPI–TIPS link is faster to implement and targets the INR–EUR remittance corridor specifically. While there are friction points between UPI and the EuroStack payments layer, these are technical and, by most accounts, can be solved by engineering design. This can be seen in the Singapore PayNow–UPI link, where the design now allows PayNow to operate on its own national standard and successfully interoperates with UPI through a designated gateway. The other option would also be to use the BIS Project Nexus route to bypass this technical difficulty.

Overall, this layer of the two DPI systems is largely compatible and already in the realisation phase. Where they may need further harmonisation would be at the technical build-out dimension.

Recommendations

Data Protection Through Sovereign Data Concepts such as Data Embassies or Tokenisation

Given that the data exchange layer is a point of friction between the two geographies for core design and legal reasons—with wider geopolitical contestations only entrenching positions on data sovereignty—workarounds are the order of the day. A natural response to data-exchange and storage differences between countries has been to opt for the localisation of data. While countries have national regulations that guide data flows of foreign commercial entities either by way of data centres and exclusion-based non-localisation lists, in the case of international trade corridors, the version this takes would be building 'data embassies' that essentially serve the same function of localisation.

'Data embassies' as a concept originated as a cybersecurity solution to safeguarding sovereign data from attack by other countries. In such a set-up, country A's sovereign data is hosted in a trusted country's territory but still governed by country A's laws, with the host country having no access rights. A comparable arrangement could be explored for parts of the IMEC digital corridor as a means of strengthening data sovereignty and security. It would not, however, remove the need to comply with the GDPR's requirements for transferring personal data outside the European Economic Area. In the absence of an EU adequacy decision for India, any such arrangement would still require an applicable transfer mechanism and appropriate safeguards under the GDPR.

Another potential way of addressing sovereign data concerns is through tokenisation, including the tokenisation of asset and finance data. Tokenisation can convert traditional trade documents and financial instruments, such as invoices, letters of credit, and inventory lists, into digital tokens on a controlled digital ledger. Such a system can pass tokens instead of directly exposing the underlying data. However, where tokens replace identifiers in personal data, this would ordinarily constitute pseudonymisation rather than anonymisation and would not, by itself, place the processing outside data-protection or cross-border data-transfer requirements (European Data Protection Board, 2025). Whether the underlying data remain within sovereign territory would depend on the system's technical architecture, access controls, and governance arrangements. Such systems, along with emerging components such as central bank digital currencies (CBDCs), could contribute to further development of India Stack and EuroStack. The important geopolitical consideration for these future-looking technologies would be their potential strategic value in reducing exposure of underlying data and strengthening the resilience of digital transaction infrastructure.

Promote the Project Nexus Route for Geopolitical Security on Both Ends

The Nexus route is strategically significant for IMEC because its common-platform model could reduce reliance on multiple bilateral payment links and improve the resilience and efficiency of regional payment connectivity. Given that one of IMEC's main selling points is that it provides an alternative corridor option for trade between India and Europe, reducing exposure to geopolitical and financial disruptions should be part of the design objective.

Integrations With Digital Currencies and Digital Asset Platforms

The emergence of central bank digital currencies may create additional integration

pathways. The India-EU pathway currently under development is the proposed UPI-TIPS link. Wero operated at the consumer-facing application layer, while the digital euro remains under development and is intended to complement private payment solutions rather than necessarily displace them (ECB, 2025b). Separately, Coinbase's previous use of UPI and its subsequent adoption of IMPS for Indian rupee transactions illustrate the potential for India's domestic payment infrastructure to connect with private digital-asset platforms. This development does not, however, establish a direct link between UPI and CBDCs or indicate how future India-EU monetary rail design will be designed.

Conclusion: Building Value

From a valuation perspective, the digital trade corridor's economic prospects depend on the amount of economic value it can generate. In India's domestic use case, the India Stack has provided digital public rails that allow private enterprises and startups to innovate and capture market value without heavy capital expenditure. Companies like PhonePe, Paytm, and other digital lenders use Aadhaar and the UPI rails to onboard users and disburse credit in record time. Platforms like ONDC are innovations that use these digital public rails to enable small and medium enterprises and local merchants to plug into large logistics and storefront networks. Similar build-outs can be imagined at the level of the IMEC regional corridor, particularly when it comes to incorporating small and medium enterprises from both geographies into larger supply chain networks. Building value at the application layer, therefore, depends on how appealing it becomes to the private sector, and the extent to which they are able to imagine products and services that can avail themselves of instant digital verification, plug-and-play interoperability, and the massive market reach afforded by digital rails.

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The Utility of More Dialogue

12

Operationalising IMEC: Track 1.5 as a Common Execution Framework

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Abstract

The India–Middle East–Europe Economic Corridor (IMEC) has generated significant diplomatic momentum, but its transition from political vision to an executable corridor remains incomplete. Core questions on alignment, financing, timelines, regulatory interoperability, and sectoral gains remain unresolved. The challenge is not an absence of interest, but the lack of a common execution framework that can align governments, financiers, regulators, experts, and the private sector. This brief argues that Track 1.5 diplomacy can provide that framework. By combining official access with expert, financial, and commercial participation, Track 1.5 mechanisms can translate fragmented national priorities into bankable projects, regulatory roadmaps, and implementation pathways. For India, this requires an empowered National Sherpa linked to a technical and inter-ministerial interface. For IMEC partners, it requires structured engagement on private-sector readiness, European regulatory transitions, blended finance, digital interoperability, and phased inclusion of strategic IMEC Plus actors. IMEC's central challenge is that participating actors attach different strategic and commercial priorities to the corridor. What serves as a geopolitical hedge for some, or an industrial, logistics, energy, or export opportunity for others, must ultimately be translated into a shared execution agenda. Track 1.5 diplomacy can facilitate that transition.

The Conceptual Ambiguity of IMEC and the Evolving Discourse

Since the 2023 Group of Twenty (G20) Summit in New Delhi, IMEC has attracted sustained diplomatic attention and early operational activity. Official announcements, Special Envoy appointments, national budget commitments, and bilateral initiatives such as the India–United Arab Emirates (UAE) Intergovernmental Framework Agreement and Virtual Trade Corridor indicate that political intent is gradually being translated into implementation pathways.

Yet significant conceptual ambiguity remains. Core operational parameters, including corridor alignment, length, financing commitments, timelines, capacity utilisation, and sector-specific trade gains, remain unclear. In the absence of authoritative estimates, competing national narratives and partial assessments continue to shape the discourse. This uncertainty is particularly consequential for the Northern Corridor, where missing rail links and associated logistics infrastructure require substantial investment before operations can begin.

Divergent National and Regional Perceptions of IMEC

Prominent policy analyses suggest that participating actors often approach the corridor through distinct strategic lenses:

- **United States:** Frames IMEC as a geopolitical instrument to balance regional powers, counter China's Belt and Road Initiative, diversify Middle Eastern infrastructure partnerships, and create opportunities for tech companies and the United States International Development Finance Corporation (DFC) (Murdoch & Young, 2026).
- **European Union (EU):** Views IMEC increasingly through the lens of the India–EU Free Trade Agreement (FTA), strategic autonomy, supply-chain resilience, green-

energy access, and digital standards (Bianco & Varvelli, 2026).

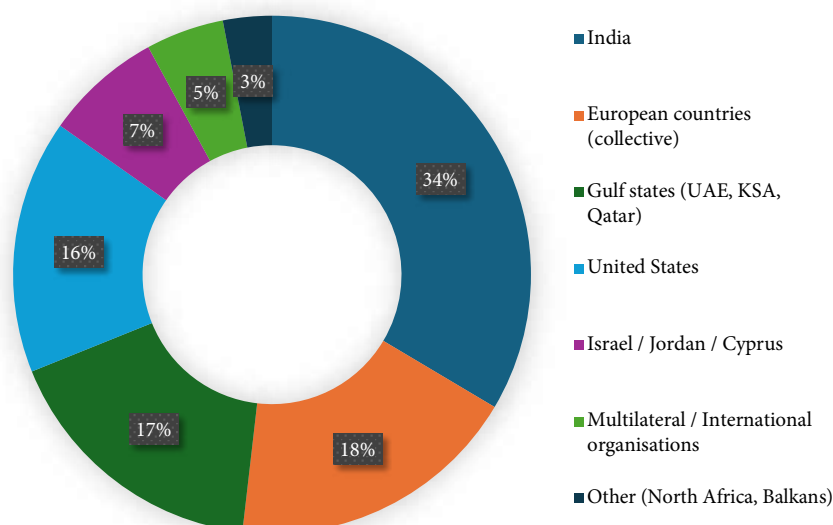
- **Middle East:** Focuses on economic diversification, Gulf Cooperation Council (GCC) rail completion, port expansion, and sovereign investment in regional logistics hubs (Hussain & Shafer, 2025).
- **India:** Links IMEC to strategic connectivity, port capacity, manufacturing competitiveness, export growth, the India–EU FTA, mitigating non-tariff barriers, and digital logistics integration (Agarwal, 2026).

These perspectives are beginning to converge around a broader understanding of IMEC as a network rather than a point-to-point corridor. The focus is shifting from physical assets alone to the soft infrastructure required for execution: digital integration, regulatory harmonisation, multimodal tracking, financing coordination, and hub-based connectivity.

The issue is not disagreement over IMEC's value, but the absence of a shared execution logic. India, the Gulf, France, Germany, and Italy attach different strategic and commercial priorities to the corridor. Track 1.5 mechanisms are therefore needed to translate these parallel value propositions into a common execution agenda.

Integrating the Fragmented Literature: The Role of Think Tanks

Contrasting with limited and sporadic official engagements at the inter-governmental level since 2023, think tanks and policy institutions have shaped much of the IMEC discourse. Existing work remains uneven across geographies and themes: most studies emphasise transport infrastructure, geopolitics, and financing, while giving less attention to logistics technology, regulatory standards, data governance, energy integration, customs processes, and practical interoperability. This uneven analysis must be made visible and translated into a common execution frame.

Figure 1: Geographic Distribution of Publications on IMEC

Source: Author's compilation based on an artificial-intelligence-assisted mapping of more than 150 corridor-related publications, sectoral studies, policy papers, and official documents published up to 2025.

The geographic concentration of publications matters because several transit and adjacent geographies affected by IMEC are not yet equally shaping its analytical framing. Track 1.5 can broaden participation and compare country-specific assumptions.

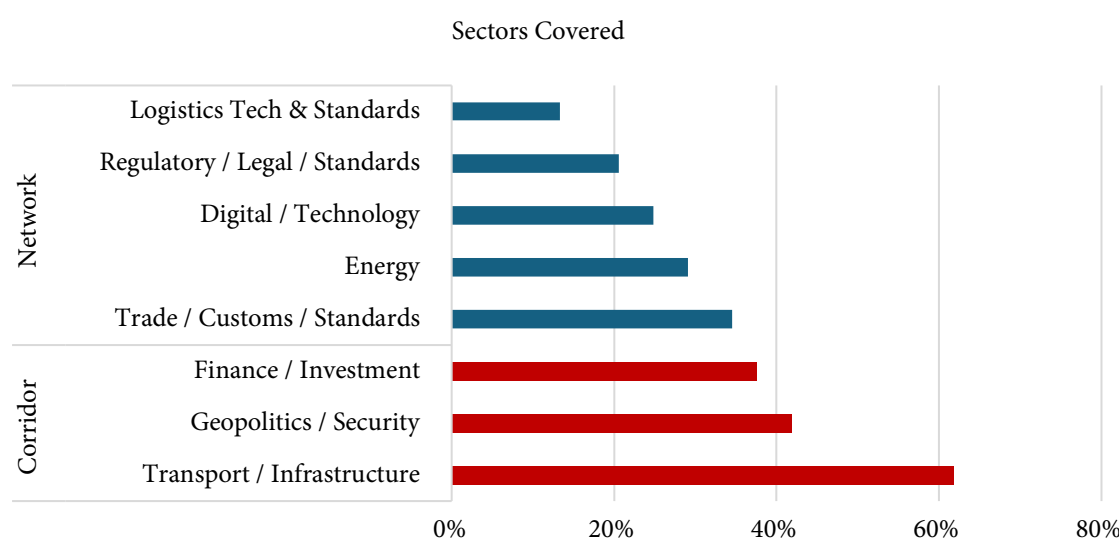
Figure 2: Stakeholder Focus Across IMEC's Policy Pillars

Region of Origin	Transport & Infrastructure	Energy	Digital & Logistics Tech	Trade & Regulatory Standards	Geopolitics & Security	Finance & Investment
India	Rail/port upgrades	Energy security	MAITRI/ digital standards	Trade diversification & competitiveness/ customs	Strategic autonomy/ INSTC focus	FDI/leveraging expertise
Middle East	GCC rail/port hubs	Green hydrogen production/ export	Smart ports/ digital trade systems	Economic diversification	Regional integration/ stability	Sovereign wealth fund potential
European Union	Network bottlenecks/ standards	Green hydro- gen import/ energy grids	Digital connectivity standards	Interoperability/ EU-India FTA	Diversification/ Global Gateway	DFI tools/risk mitigation
US/ Global	Strategic rail gaps	Energy pillar inclusion	Digital pillar support	Rules-based connectivity	Counter-BRI/ ME alignment	Risk mitigation/ DFC leverage

Source: Author's assessment of the thematic intensity and regional distribution of policy discourse across infrastructure, energy, digital, trade, security, and finance.

Note: The volume and depth of discourse are categorised by text colour as follows: High (green) indicates sustained and substantive coverage; Medium (brown) indicates recurring but partial coverage; Low (red) indicates limited or incidental coverage.

BRI = Belt and Road Initiative; DFC = United States International Development Finance Corporation; DFI = development finance institution; EU = European Union; FDI = foreign direct investment; FTA = free trade agreement; GCC = Gulf Cooperation Council; INSTC = International North-South Transport Corridor; MAITRI = Master Application for International Trade and Regulatory Interface; US = United States

Figure 3: Thematic Distribution of Studies on IMEC

Source: Author's compilation based on an artificial-intelligence-assisted review of more than 150 publications, categorised by primary thematic focus.

Note: Percentages show the share of reviewed studies devoting substantial attention to each theme. Studies may cover multiple themes; percentages therefore do not total 100 per cent. "Corridor" categories (red coloured bars) capture transport, geopolitical, and financing discussions; "network" categories (blue coloured bars) capture digital, regulatory, energy, and trade-connectivity analysis.

Variation across studies reflects institutional location, national priorities, sectoral expertise, and time horizons. Some treat IMEC as geopolitics, others as infrastructure, finance, trade facilitation, or resilience. Since they use different assumptions and metrics, they should be read as complementary inputs to a common execution frame.

Table 1: Comparative Lenses in Selected Corridor Studies

Institution	Primary Lens	Main Contribution
Atlantic Council	Feasibility and resilience	Assesses financing gaps, rail capacity, trade potential, and advances a network-of-corridors approach linking nodes such as Oman, Saudi Arabia, Egypt, and Syria.
Konrad Adenauer Stiftung/Misgav	Route and security analysis	Maps route options, infrastructure gaps, cost scenarios, and Middle Eastern security risks.
Research and Information System for Developing Countries	India-centric governance	Emphasises policy design, institutional architecture, and domestic implementation pathways.
European Union Institute for Security Studies	EU strategic risk	Highlights feasibility constraints, financing uncertainty, and the limits of headline pledges.

Source: Hussain and Kafafy (2026), Hussain and Shafer (2025), Fredman and Rozen (2025), Research and Information System for Developing Countries (2025), and Ghanem and Sánchez-Cacicedo (2024).

What Existing Discourses Must Address and Where They Converge

These studies confirm IMEC's strategic relevance but diverge on scope, costs, timelines, and the relative importance of transport, digital, energy, and regulatory pillars. The main gap is not the absence of analysis, but the absence of comparable frameworks that can translate analysis into implementation.

Despite these differences, the literature converges on three imperatives: (1) stronger central coordination; (2) blended finance through institutions such as the European Investment Bank and the World Bank; and (3) integration of digital and energy pillars alongside physical transport. Track 1.5 dialogues can consolidate route engineering, trade modelling, regulatory analysis, and political-risk assessments into a modular project pipeline for governments and DFIs.

Track 1.5 as a Common Execution Framework

In this brief, Track 1.5 refers to structured engagement between officials acting in official or semi-official capacities and non-governmental actors, including think tanks, technical experts, DFIs, regulators, chambers of commerce, logistics operators, and private firms. It links political authority with technical expertise and market intelligence.

Such a mechanism is necessary because IMEC cuts across transport, customs, digital systems, green regulation, financing, private-sector readiness, and regional security. These issues cannot be addressed through formal diplomatic channels alone.

Track 1.5 should operate as a common execution framework with three functions: integrating fragmented research into comparable analytical inputs; coordinating officials, financiers, regulators, industries, and experts through structured problem-solving; and converting dialogue into project pipelines,

regulatory roadmaps, implementation timelines, and decision-ready policy inputs.

Its purpose is not to add another forum, but to create a disciplined process through which diverse national priorities and sectoral concerns are translated into a shared execution agenda for governments and financiers.

Institutionalising the Framework: The Need for an Indian Sherpa

For Track 1.5 processes to influence implementation, their outputs must be connected to formal government decision-making. India currently lacks a clearly identifiable IMEC interface through which foreign partners, private firms, DFIs, and expert communities can engage the Indian system across transport, energy, digital systems, customs, finance, and security.

Several partner countries have addressed this need by appointing dedicated IMEC envoys. India's dispersed institutional arrangement can create bottlenecks for standards harmonisation, investment coordination, and implementation follow-up.

Sherpa, Single Points of Contact, and Technical Interfaces

India should therefore designate an empowered Inter-Ministerial Single Point of Contact (SPOC), or National Sherpa, for IMEC. Placing this role within a single line ministry would be insufficient, since IMEC spans infrastructure, logistics, energy, digital governance, trade, and security (Ministry of Commerce and Industry, 2026).

A suitable option is to anchor the Sherpa function within the proposed Gati-Shakti Transport and Logistics Planning and Research Authority (GTLPRA), under the Cabinet Secretariat. The Secretary responsible for Transport and Logistics Planning could act as the National IMEC Sherpa, supported by an IMEC coordination cell. This would give

the role sufficient inter-ministerial authority while maintaining a direct link with technical planning and project appraisal.

The National Sherpa should be supported by IMEC Single Points of Contact in Indian missions in key partner countries. These embassy-level SPOCs would guide host governments, investors, chambers, port authorities, think tanks, and foreign missions to the appropriate Indian nodal agencies, while feeding country-specific proposals and concerns back to the Sherpa and GTLPRA.

The GTLPRA can serve as the domestic channel through which Track 1.5 outputs enter formal decision-making. Its proposed Group of Technical Experts (GTE), hosted within a Centre of Excellence, could assess research findings, private-sector feedback, foreign envoy inputs, and financing proposals, and convert them into project-appraisal notes, regulatory roadmaps, or inter-ministerial policy briefs. This would create a clear delivery chain: Track 1.5 forums generate evidence and consensus; the GTE tests feasibility; the National Sherpa converts priorities into inter-ministerial action; and GTLPRA channels them into implementation.

Operational Priorities: Private Sector, Regulation, Finance, and Bilateral Engines

IMEC's success will depend on whether firms can use the corridor commercially and meet the regulatory conditions for accessing European markets. While the India–EU FTA could expand trade opportunities, firms still face significant compliance, customs, data, and standards-related barriers.

For Indian exporters, especially micro, small, and medium-sized enterprises (MSMEs) in manufacturing, textiles, engineering, and intermediate goods, the main challenge will be adapting to EU regulatory transitions such as the Carbon Border Adjustment Mechanism (CBAM) and digital product passport (DPP) requirements. Track 1.5 forums can help

by convening European regulators, Indian industry bodies, chambers of commerce, logistics operators, and technology providers to develop compliance roadmaps, data-sharing pilots, and practical guidance for exporters (European Commission, 2026a, 2026b).

Beyond logistics and regulatory compliance, Track 1.5 must address IMEC's wider economic architecture: digital interoperability across logistics, customs, payments, and traceability systems; energy integration through hydrogen, ammonia, power links, certification, and offtake arrangements; industrial cooperation through joint manufacturing, supply-chain diversification, MSME integration, and coastal economic zones; and social connectivity through skills, professional mobility, standards training, and technical certification. Without these dimensions, IMEC risks becoming a transport corridor rather than an economic integration platform.

Financing should be treated as a cross-cutting priority, with Track 1.5 used to align DFIs, sovereign funds, export-credit agencies, and private investors around bankable project preparation (Ministry of Commerce and Industry, 2025).

Bilateral Engines: France, Germany, and Italy

Track 1.5 dialogues should also align India's engagement with major European partners by recognising their distinct value propositions within IMEC:

- **France:** France links IMEC to strategic autonomy, Mediterranean connectivity, trusted technology, and port-to-port cooperation. Track 1.5 engagement should channel these priorities into practical logistics, digital, energy, and regulatory initiatives.
- **Germany:** Germany's role is shaped by industrial resilience, green hydrogen demand, advanced manufacturing, financing capacity, and supply-chain diversification. Track 1.5 engagement

should connect these priorities with Indian manufacturing, clean technology, and coastal economic zones.

- **Italy:** Italy's comparative advantage lies in Mediterranean logistics, hinterland access, and gateway ports such as Trieste and Genoa. Track 1.5 engagement should focus on port interoperability, customs integration, and digital logistics links with Indian platforms.
- **Rest of EU:** Beyond these larger partners, smaller Mediterranean and maritime member states such as Greece, Cyprus, Malta, Croatia, Slovenia, and Spain can also contribute through port connectivity, logistics services, and regional maritime networks.

Expanding the Network: Strategic Adjacent Partners and IMEC Plus

IMEC should be approached as an open and adaptive network rather than a closed corridor of founding signatories. Disruptions in the Red Sea, the Gulf, and the Eastern Mediterranean show that resilience will depend on redundancy, flexible routing, and constructive engagement with adjacent geographies. Track 1.5 mechanisms can support an “IMEC Plus” architecture by identifying where non-signatory or indirectly affected actors can enhance connectivity and reduce risk.

Oman illustrates the value of geographic redundancy. Ports such as Salalah and Duqm sit outside the Strait of Hormuz and can provide alternative routing options during disruptions. Exploring Oman's role within IMEC Plus would strengthen routing resilience and expand links between Indian ports, Gulf logistics systems, and wider Middle Eastern connectivity (Sen, 2026).

Strategic Adjacent Partners: Turkey and Egypt

Adjacent actors with parallel infrastructure ambitions should be engaged constructively

so that IMEC is seen as complementary to regional connectivity initiatives rather than as an exclusionary project.

- **Turkey:** Turkey's Iraq Development Road reflects Ankara's ambition to serve as a northern land bridge to Europe. Rather than treating it as a competitor, Track 1.5 dialogues should examine whether technical interfaces, customs cooperation, or complementary routing can connect it to the wider IMEC ecosystem.
- **Egypt:** Egypt remains a key stakeholder in wider Asia–Europe connectivity. Track 1.5 dialogues should explore complementarity between IMEC-related networks, Red Sea maritime routes, industrial zones, and Mediterranean logistics hubs.

The Horn of Africa and Western Indian Ocean Connectivity

The Horn of Africa and Western Indian Ocean are also relevant to IMEC resilience. East African ports, digital-cable landing points, and feeder routes can strengthen maritime and data connectivity between India, the Gulf, Africa, and Europe. Track 1.5 engagement can assess where such links support secure digital corridors and maritime redundancy without overstretching the core IMEC agenda.

Actionable Track 1.5 Roadmap

Agenda for the Next 12–24 Months

To move IMEC from strategic intent to implementation, over the next 12–24 months, Track 1.5 processes should focus on reducing regulatory friction, mobilising finance, and converting analysis into bankable project pipelines.

Table 2 sets out stakeholder roles and a proposed 12–24-month agenda.

Table 2: A Track 1.5 Mechanism for IMEC's Implementation

Stakeholder Group	Core Role in IMEC Track 1.5	Expected Output	Recommended 12–24-Month Action
Government officials and Special Envoys	Clarify political priorities, identify negotiation bottlenecks, and transmit informal findings into formal intergovernmental channels.	Policy notes, agenda inputs, and prioritised issues for official consideration.	Establish a quarterly IMEC Track 1.5 coordination forum linked to national Sherpa processes.
Think tanks and academic experts	Synthesise fragmented research, compare corridor models, and produce neutral technical assessments.	Shared analytical frameworks, feasibility notes, and scenario papers.	Develop a common execution framework and comparable project-assessment template.
Development finance institutions and sovereign funds	Assess project bankability, risk guarantees, blended finance models, and sequencing of capital deployment.	Financing structures and project-readiness criteria.	Launch a blended-finance roundtable and project-preparation facility for priority IMEC nodes.
Private sector, logistics operators, and industry bodies	Identify operational constraints in ports, rail, customs, digital tracking, and compliance with EU market standards.	Implementation feedback, pilot projects, and sector-specific compliance roadmaps.	Create compliance and interoperability pilots for CBAM, DPP, customs data, and traceability systems.
Regulators and technical agencies	Align standards on customs data, CBAM, DPP requirements, multimodal tracking, and interoperability.	Regulatory harmonisation proposals and technical standards roadmaps.	Prepare regulatory roadmaps for customs interoperability, product traceability, multimodal tracking, and green certification.
National Sherpa, GTLPRA, and GTE interface	Receive Track 1.5 outputs, screen them for domestic feasibility, and convert them into formal policy briefs for government action.	Cabinet-ready briefs, project pipeline inputs, and inter-ministerial coordination notes.	Create a formal channel for converting Track 1.5 outputs into policy notes, project pipelines, and financing proposals.

Source: Author's compilation.

Note: CBAM = Carbon Border Adjustment Mechanism; DPP = digital product passport; GTLPRA = Gati-Shakti Transport and Logistics Planning and Research Authority; GTE = Group of Technical Experts; IMEC = India–Middle East–Europe Economic Corridor.

Priority Cross-Stakeholder Initiatives

The stakeholder-specific roles above should be translated into a limited set of cross-stakeholder initiatives capable of producing visible outcomes within 12–24 months. Three priorities stand out.

- **Regulatory compliance and data sandboxes:** Track 1.5 forums should pilot data-sharing mechanisms that help Indian exporters test CBAM, DPP, and related EU standards by linking firm-level data, logistics platforms, and customs reporting systems.

- **Blended finance and project preparation:** Track 1.5 participants should convene Gulf sovereign funds, European DFIs, the World Bank, and relevant financiers to structure blended-finance models, project-preparation facilities, and political-risk instruments.
- **Consolidated IMEC project pipeline:** Think tank research, private-sector feedback, and technical assessments should be consolidated into a modular project list ranked by feasibility, strategic value, financing readiness, and contribution to digital, energy, logistics, and industrial integration.

Conclusion

IMEC's challenge is no longer only corridor design, but execution across institutions, sectors, regulations, financiers, and firms. Political commitments will matter only if they can be translated into coordinated implementation.

Track 1.5 diplomacy can provide the operating framework for this transition. By integrating fragmented research, aligning country-specific value propositions, supporting private-sector readiness, institutionalising India's domestic interface, and expanding resilience through IMEC Plus, participating states can convert IMEC from an aspirational corridor into a durable economic integration platform. Without such a framework, IMEC risks remaining a set of parallel diplomatic and commercial initiatives rather than a coordinated transcontinental network.

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