# India's Strategic Role in IMEC: Opportunities and Challenges

Dr. Vishnu Prakash Mangu

Associate Professor of Political Science, Government Degree & PG College, Puttur, Tirupati, Andhra Pradesh, India

### **ABSTRACT**

The India-Middle East-Europe Economic Corridor (IMEC) is poised to reshape global trade dynamics by providing an alternative trade route connecting Asia, the Middle East, and Europe. As a key stakeholder, India plays a strategic role in IMEC's development, leveraging its geographical position, economic strength, and technological capabilities. This research paper examines India's opportunities and challenges within IMEC, focusing on trade expansion, infrastructure development, digital connectivity, and renewable energy leadership. The study highlights how India can enhance its logistics infrastructure, integrate multimodal transport systems, and strengthen diplomatic engagements to maximize IMEC's benefits. It explores potential obstacles such as geopolitical tensions, regulatory complexities, and competition from China's Belt and Road Initiative (BRI). Through a comprehensive analysis, this paper provides policy recommendations to ensure India's successful participation in IMEC, positioning it as a global trade and technology leader.

KEYWORDS: IMEC, India-Middle East-Europe Economic Corridor, India's Trade Strategy, Global Supply Chains, Multimodal Logistics, Digital Trade, Renewable Energy, Infrastructure Development, Geopolitics, Belt and Road Initiative (BRI), Economic Diplomacy *How to cite this paper*: Dr. Vishnu Prakash Mangu "India's Strategic Role in IMEC: Opportunities and Challenges"

Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-9 | Issue-1, February



2025, pp.1108-1115, URL: www.ijtsrd.com/papers/ijtsrd76161.pdf

Copyright © 2025 by author (s) and International Journal of Trend in Scientific Research and Development

Journal. This is an Open Access article distributed under the



terms of the Creative Commons Attribution License (CC BY 4.0) (http://creativecommons.org/licenses/by/4.0)

### INTRODUCTION

The India-Middle East-Europe Economic Corridor (IMEC) is a transformative initiative aimed at enhancing connectivity and trade between Asia, the Middle East, and Europe. Officially announced at the G20 Summit in New Delhi in September 2023, the seeks to establish a multimodal transportation and digital infrastructure network, integrating maritime, rail, road, and energy pipelines to facilitate efficient trade. IMEC is expected to serve as a faster and more secure alternative to traditional shipping routes, particularly the Suez Canal, which has long been a vital artery for global trade but is often constrained by congestion and geopolitical risks.1

India - Middle-East - Europe Economic Corridor

Northers Corridor:
Consocing Europe

Eastern Corridor:
Correcting India to
Arobin O'sil

The strategic importance of IMEC lies in its ability to streamline supply chains, reduce transportation costs, and foster economic cooperation among key global players, including India, the Gulf nations, and the European Union (EU).<sup>2</sup> With trade volumes between Asia, the Middle East, and Europe increasing steadily, the need for an alternative, resilient corridor has become more pressing. IMEC is structured as two interconnected corridors:

- 1. Eastern Corridor Connecting India to the Middle East through shipping routes.
- 2. Northern/Western Corridor Extending from the Middle East to Europe via rail and ports.

These corridors are designed to facilitate seamless cargo movement, energy transportation, and digital trade integration, with a strong focus on economic cooperation and sustainability. As a founding member and major stakeholder in IMEC, India is positioned to play a pivotal role in shaping the corridor's success.<sup>3</sup> India's strategic geographic location, robust trade ecosystem, advanced technology sector, and growing energy needs make it a crucial participant in this ambitious project. India's involvement in IMEC is

aligned with its broader economic, infrastructure, and geopolitical objectives:

- ➤ Trade Expansion & Economic Growth: By gaining direct access to Middle Eastern and European markets, India can enhance its export competitiveness in key sectors such as manufacturing, pharmaceuticals, textiles, and information technology.
- ➤ Infrastructure Modernization: Investment in ports, railway networks, and logistics hubs will improve India's overall trade efficiency and support the "Make in India" initiative.
- ➤ Digital Trade & Fintech Leadership: With India's expertise in digital payments (UPI, RuPay), AI-driven logistics, and blockchain-based trade solutions, IMEC offers an opportunity to establish a robust digital trade ecosystem.
- ➤ Energy Security & Sustainability: India can export renewable energy, particularly green hydrogen, solar, and wind power, while securing stable energy imports from the Middle East.

The successful implementation of IMEC could position India as a regional logistics hub, allowing it to compete with global trade giants such as China's Belt and Road Initiative (BRI).<sup>4</sup> By establishing stronger economic ties with Gulf nations and the European Union, India can solidify its influence in global supply chains.

### Methodology

This research article employs a qualitative and analytical approach to examine India's strategic role in the India-Middle East-Europe Economic Corridor (IMEC), focusing on economic, geopolitical, and infrastructural aspects. Data is sourced from government reports, international trade organizations - WTO, World Bank, UNCTAD - academic research, policy papers, and industry analyses. The study utilizes a SWOT analysis to assess India's strengths, weaknesses, opportunities, and threats within IMEC, alongside a comparative trade route analysis to evaluate its advantages over existing corridors such as the Suez Canal and China's Belt and Road Initiative (BRI). Also, a policy and infrastructure assessment reviews India's trade policies, investment strategies, and logistical capabilities, while a stakeholder analysis examines the roles of India, Middle Eastern nations, European partners, and global financial institutions in IMEC's implementation. Despite its broad scope, the research article is limited by the nascent nature of IMEC, with findings based on existing trade patterns and strategic developments rather than long-term impact assessments. This methodological framework ensures a comprehensive and policy-oriented evaluation of India's opportunities and challenges within IMEC.

# **Objectives**

The primary objective of this research article is to analyse India's strategic role in the India-Middle East-Europe Economic Corridor (IMEC) by assessing the economic, geopolitical, and infrastructural opportunities and challenges associated with its participation. The study aims to explore how IMEC can enhance India's trade connectivity, supply chain efficiency, and export competitiveness while fostering stronger ties with Middle Eastern and European markets. Additionally, it seeks to evaluate India's potential role in digital trade, renewable energy exports, and logistics modernization within the corridor. The research article also identifies key challenges, including geopolitical risks, regulatory hurdles, infrastructure investment constraints, and competition from China's Belt and Road Initiative (BRI). By conducting a comprehensive policy analysis, the study aims to provide actionable recommendations for India's optimal engagement in IMEC, ensuring long-term economic benefits and strategic positioning in global trade.

#### Results

The findings of this research article highlight that India stands to gain significantly from its participation in the India-Middle East-Europe Economic Corridor (IMEC) through enhanced trade supply chain efficiency, connectivity, infrastructure development. The corridor presents major economic opportunities by reducing transit times and trade costs, allowing India to expand exports in key sectors such as manufacturing, pharmaceuticals, and digital services. Moreover, India's role in green energy exports, particularly hydrogen and solar power, positions it as a critical player in the global shift toward sustainable energy. However, the study also identifies several challenges, including geopolitical uncertainties in the Middle regulatory complexities, and financial constraints in infrastructure development. Further, competition from China's Belt and Road Initiative (BRI) and regional security concerns could impact India's ability to maximise IMEC's benefits. Despite these challenges, strategic investments, public-private partnerships, and strengthened diplomatic engagements could enable India to leverage IMEC for long-term economic and geopolitical gains, reinforcing its position as a global trade and logistics hub.

# **Discussion**

The analysis of India's strategic role in the India-Middle East-Europe Economic Corridor (IMEC) underscores both the opportunities and challenges that the initiative presents. IMEC offers India a chance to enhance its trade networks, improve logistical efficiency, and strengthen economic ties with Middle Eastern and European partners, positioning itself as a key player in global trade realignment. By leveraging its technological capabilities, digital trade expertise, and green energy potential, India can capitalise on emerging markets while reducing dependency on traditional shipping routes like the Suez Canal. However, the successful implementation of IMEC requires overcoming significant hurdles, including infrastructure funding, regulatory harmonisation, and geopolitical risks associated with the Middle East's political instability. Additionally, China's Belt and Road Initiative (BRI) poses competitive pressure, necessitating strategic diplomacy and investment prioritization by India. The findings suggest that active government intervention, public-private partnerships, and enhanced regional cooperation will be crucial in ensuring that IMEC serves as a sustainable and beneficial trade corridor for India. Moving forward, India must adopt a proactive approach in policy formulation, infrastructure development, and trade agreements to fully harness IMEC's potential for long-term economic and geopolitical advantages.

#### **Conclusion**

India's participation in the India-Middle East-Europe Economic Corridor (IMEC) presents a transformative opportunity to enhance its trade, infrastructure, and geopolitical influence across Asia, the Middle East, and Europe. By leveraging IMEC, India can diversify its export markets, improve supply chain efficiency, and strengthen its role in digital trade and green energy exports. However, the successful realization of these benefits requires addressing infrastructure investment challenges, regulatory harmonization, and geopolitical uncertainties. The competition from China's Belt and Road Initiative (BRI) and security concerns in the Middle East necessitate a strategic and diplomatic approach to ensure long-term sustainability. Moving forward, India must prioritise policy reforms, enhance regional partnerships, and invest in cutting-edge trade and logistics solutions to IMEC's potential. If effectively implemented, IMEC can redefine India's global trade position, making it a crucial hub in the evolving international economic landscape.

### **Importance**

The India-Middle East-Europe Economic Corridor (IMEC) is a landmark initiative designed to enhance trade, connectivity, and cooperation between Asia, the Middle East, and Europe. It aims to serve as a

multimodal trade corridor that integrates rail networks, ports, energy infrastructure, and digital trade systems to improve global economic efficiency. This corridor is strategically positioned to boost economic growth, strengthen geopolitical alliances, and modernize infrastructure in the participating regions.

India, as a key player in global trade and logistics, is central to the success of IMEC.<sup>5</sup> With its strong manufacturing sector, expanding digital economy, and strategic geographic location, India stands to gain significantly from the corridor while also playing a pivotal role in its development and operation.

# A. Economic Objectives:

IMEC is designed to facilitate international trade, lower transportation costs, and promote regional economic integration. India benefits economically from IMEC by becoming a central trade hub, reducing export costs, and securing new investment opportunities. It also helps India's "Make in India" and "Digital India" initiatives, reinforcing its manufacturing and digital trade leadership. The primary economic goals will be:

IMEC provides an alternative to the Suez Canal, offering a shorter and more cost-effective trade link between India, the Middle East, and Europe. The corridor helps Indian businesses expand into European and Gulf markets, particularly in pharmaceuticals, textiles, IT services, and automobile manufacturing. As manufacturing shifts away from China, IMEC helps position India as a key production and export hub in Asia and strengthens India as a key player in global supply chain.

IMEC creates an opportunity for India to export renewable energy, such as solar power and green hydrogen, to Europe. India can strengthen its energy partnerships with the Middle East, securing stable oil and gas supplies while also diversifying its energy sources. It opens doors for foreign direct investment (FDI) in port modernization, rail expansion, and industrial hubs. India can collaborate with global investors through Public-Private Partnerships (PPP) to enhance its transport, logistics, and energy sectors.

### **B.** Geopolitical Objectives:

IMEC is not just an economic initiative, it is also a strategic move to enhance regional cooperation and counterbalance geopolitical challenges. India's involvement in IMEC reinforces its diplomatic and strategic positioning, allowing it to expand its influence beyond South Asia.<sup>6</sup> By leading infrastructure and trade agreements, India emerges as a key geopolitical player in the Indo-Middle East-Europe region.

IMEC helps deepen India's economic ties with Saudi Arabia, UAE, and Oman, strengthening energy trade, investment, and logistics. The corridor facilitates stronger trade relations between India and the European Union (EU), enabling faster movement of goods and services. IMEC serves as a direct alternative to China's BRI, offering a more transparent, sustainable, and rules-based trade corridor. By playing a leading role in IMEC, India strengthens its influence in global trade and economic diplomacy, reducing China's dominance infrastructure investments. It fosters economic interdependence, which helps stabilize the Middle East by promoting trade over conflict. The corridor provides a secure alternative to the Suez Canal, reducing risks from geopolitical conflicts, piracy, and maritime congestion.

### C. Infrastructural Objectives:

IMEC focuses on developing a world-class transport, digital, and energy infrastructure that enhances connectivity between the participating regions. India's infrastructure expertise, digital economy, and renewable energy capabilities make it an essential partner in IMEC's development. By investing in ports, railways, and smart trade systems, India can modernise its logistics sector and strengthen its global competitiveness. India should upgrade its ports and integrate with Gulf rail networks, ensuring seamless cargo movement. IMEC promotes multimodal transport systems - sea, rail, and road logistics - reducing trade bottlenecks and delays.

India can leverage its digital expertise to integrate AI, blockchain, and smart logistics systems into IMEC. It enables India to expand its fintech and cross-border payments platforms across the corridor, facilitating faster trade settlements. India can export solar and wind power to the Middle East and Europe, positioning itself as a leader in green energy trade. IMEC will promote electric and low-carbon transport solutions, in line with India's sustainability goals.

# **Leveraging IMEC**

The India-Middle East-Europe Economic Corridor (IMEC) presents a transformative opportunity for India to boost trade, streamline supply chains, and enhance export competitiveness in Middle Eastern and European markets.<sup>8</sup> By leveraging its strategic geographic position, industrial capabilities, and digital trade expertise, India can use IMEC to establish itself as a global trade and logistics powerhouse.

IMEC provides India with a faster, more costeffective, and secure trade route that bypasses traditional bottlenecks such as the Suez Canal, thereby improving trade flows. The corridor integrates Indian ports with Middle Eastern and European transport hubs, enabling seamless cargo movement. Multimodal logistics ensure efficient trade flows, reducing delivery time to Europe by 40% compared to current routes. Lower freight costs make Indian exports more competitive, benefiting industries such as textiles, pharmaceuticals, electronics, and automobiles. IMEC strengthens India's trade ties with Gulf Cooperation Council (GCC) nations, facilitating greater bilateral trade agreements. The corridor helps increase Indian exports to high-demand European markets, particularly in Germany, France, Italy, and the Netherlands. It enhances India's participation in global value chains, ensuring Indian products reach international markets faster and at a lower cost.

IMEC enables greater access to crude oil, natural gas, and renewable energy resources from the Middle East. India can secure stable energy imports while exporting green energy solutions like solar and hydrogen power to Europe. It strengthens trade in raw materials such as minerals and industrial components boosts India's manufacturing and industrial growth.<sup>10</sup> Upgraded ports and rail networks under IMEC will allow for faster cargo handling and reduced congestion. The corridor promotes integrated digital customs clearance, cutting bureaucratic delays and enhancing trade facilitation. Smart warehousing and automated logistics hubs along the route will reduce inefficiencies in supply chain management. India's Digital India initiatives can integrate blockchainbased trade documentation, AI-driven supply chain tracking, and automated customs processing. Ecommerce and digital payment systems will enable businesses to transact across borders more efficiently. A seamless logistics network with real-time tracking improves inventory management for exporters.

IMEC allows India to develop alternate trade routes, reducing reliance on traditional supply chains controlled by China's Belt and Road Initiative (BRI). 11 Indian companies can source raw materials from the Middle East and export value-added goods to Europe, bypassing supply chain disruptions from geopolitical conflicts. Increased investment in industrial parks and Free Trade Zones (FTZs) along the corridor strengthens India's role as a global manufacturing hub. IMEC provides Indian businesses with cost-effective and efficient access to new consumers in the Middle East and Europe. 12 Faster logistics and lower shipping costs make Indian textiles more competitive against Bangladeshi and Chinese exports. India, as the pharmacy of the world, can expand pharmaceutical exports to the EU and Middle East using IMEC's faster supply chains. Improved logistics and reduced tariffs will allow India to scale up exports of electric vehicles (EVs), auto components, and consumer electronics. <sup>13</sup>

IMEC enhances foreign direct investment (FDI) in Indian ports, logistics parks, and railway networks, driving industrial growth. Public-Private Partnerships (PPP) with European and Gulf nations will lead to joint ventures in manufacturing and digital trade platforms. <sup>14</sup> Indian businesses will gain access to high-quality raw materials and technology transfers from European and Middle Eastern firms. India's ongoing negotiations with the European Union (EU) for an FTA can be accelerated with IMEC, boosting tariff-free access to European markets. The corridor facilitates preferential trade agreements with Gulf countries, helping India secure lower tariffs on exports.

# Role of India in Digital Trade, Logistics Modernisation, and Green Energy

India is poised to play a pivotal role in the India-Middle East-Europe Economic Corridor (IMEC) by leveraging its strengths in digital trade, logistics modernisation, and green energy transition. 15 These three areas are essential for making IMEC an efficient, technology-driven, and sustainable trade corridor. By utilising its digital expertise, supply capabilities, and renewable advancements, India can position itself as a global leader in the emerging trade ecosystem of IMEC. India, with its booming IT industry, fintech innovations, and strong e-commerce ecosystem, can digitally transform trade and commerce along IMEC by integrating secure, efficient, and transparent digital systems.<sup>16</sup>

#### 1. Digital Trade:

Implementing blockchain for secure and transparent trade documentation will help reduce paperwork, fraud, and delays in customs clearance. Smart contracts can automate payments and trade agreements, ensuring faster and more efficient crossborder transactions. Indian companies can provide AI-powered analytics to optimise shipping routes, predict demand, and reduce transportation bottlenecks. Machine learning algorithms can inventory improve trade forecasts, enhance management and cost efficiency. India's Unified Payments Interface (UPI) and digital banking systems can be integrated into IMEC for seamless financial transactions across regions. Collaborations with Middle Eastern and European banks can facilitate digital payment settlements, reducing transaction costs. Indian businesses, particularly in textiles, pharmaceuticals, electronics, and consumer goods, can expand digital trade with the Middle East and Europe using IMEC's efficient logistics.<sup>17</sup>

Strengthening India's role in cross-border B2B ecommerce platforms can enhance global trade participation.

### 2. Logistics Modernisation:

IMEC aims to enhance transportation infrastructure and logistics efficiency, and India's expertise in port modernisation, railway networks, and smart supply chains will be crucial for this transformation. Upgrading Indian ports with world-class logistics hubs will facilitate faster cargo movement. <sup>18</sup> Integrating India's rail network with Gulf rail infrastructure will create seamless multimodal transport for goods moving towards Europe. India can develop AI-powered logistics hubs along IMEC, ensuring real-time tracking and predictive inventory management. IoT-based smart warehouses can help manage goods efficiently, reducing wastage and improving supply chain resilience.

India's expertise in 5G deployment can enhance realtime logistics tracking, improving trade security and efficiency. IoT-enabled transport management will help optimise cargo routes and minimise shipping delays. Indian companies can collaborate with Middle Eastern and European partners to develop state-ofthe-art logistics infrastructure. Foreign investments in India's logistics and transport sectors will modernise freight corridors, rail networks, and port facilities.<sup>19</sup>

# 3. Green Energy:

IMEC aligns with India's commitment to clean energy by facilitating renewable energy trade, decarbonisation of transport, and green hydrogen exports. India is investing heavily in green hydrogen production, and IMEC can serve as a key export route to Europe and the Middle East.<sup>20</sup> Solar and wind energy exports from India can help IMEC partners reduce carbon footprints and achieve sustainability targets. IMEC can help India integrate electric vehicle (EV) supply chains with European markets. Electrification of railway networks along IMEC will reduce fossil fuel dependence and promote sustainable logistics. India can set up green industrial hubs along IMEC where sustainable manufacturing and carbon-neutral production techniques are implemented.<sup>21</sup> Collaboration with Gulf nations for green energy investment will enhance India's position as a global leader in renewable energy.

# Major challenges ahead

While the India-Middle East-Europe Economic Corridor (IMEC) presents immense economic and strategic opportunities, India must navigate several challenges, including geopolitical risks, regulatory hurdles, and infrastructure investment constraints. Successfully addressing these issues will be crucial for India to fully leverage IMEC's potential.

### 1. Geopolitical Risks and Regional Instability

IMEC passes through a region that has historically witnessed geopolitical tensions, conflicts, and rivalries. The Middle East is a volatile region, with ongoing conflicts in Yemen, Syria, and Israel-Palestine, as well as rising tensions between Iran and Gulf nations. Any instability in these regions could disrupt trade routes and delay infrastructure development. China's Belt and Road Initiative (BRI), which competes with IMEC, may create political and economic pushback from nations aligned with Beijing. India must carefully manage its diplomatic relations with IMEC partners while ensuring that its strategic interests remain protected.<sup>22</sup>

# 2. Regulatory and Trade Policy Challenges

India's participation in IMEC requires harmonisation of trade regulations, customs policies, and digital trade standards across multiple countries. Currently, variations in tariffs, import/export restrictions, and taxation laws create barriers to smooth trade. For example, differences in customs clearance processes between India, the UAE, and Europe can lead to trade delays and increased costs. India is still negotiating a Free Trade Agreement (FTA) with the European Union (EU), and the lack of a comprehensive trade deal could limit India's access to European markets.<sup>23</sup> Overcoming these regulatory challenges requires stronger trade diplomacy, harmonisation of policies, and investment in digital trade facilitation.

### 3. Infrastructure Investment Constraints

IMEC demands massive infrastructure investments in railways, logistics hubs, and connectivity. India, while making progress in modernising its logistics sector, still faces gaps in transportation and trade facilitation infrastructure. Ports such as Mumbai and Mundra require capacity upgrades, while rail connectivity from Indian industrial zones to IMEC transit points needs significant investment. Bureaucratic delays and land acquisition challenges often slow down infrastructure projects in India. Without timely investment and policy reforms, India risks losing competitive advantage to other trade routes. Public-Private Partnerships (PPPs) and collaboration with multilateral financial institutions will be essential to address these investment gaps.

# 4. Energy Security and Environmental Concerns

While IMEC presents an opportunity for green energy trade, India also faces challenges in balancing its energy needs with sustainability goals. The Middle East remains a critical supplier of crude oil and natural gas, and any supply chain disruptions could impact India's energy security. At the same time, India is working on expanding its renewable energy

exports but lack of standardised policies on green energy trade within IMEC could slow down progress.<sup>24</sup> India needs to align its green energy policies with IMEC partners to maximise the benefits of sustainable trade.

# 5. Security Risks and Cyber Threats

IMEC's success depends on digital trade, AI-driven logistics, and blockchain-based documentation, making it vulnerable to cybersecurity threats. Any cyberattack on digital trade systems or port operations could lead to massive trade disruptions. Moreover, piracy and maritime security concerns in regions like the Red Sea and the Arabian Sea pose risks to Indian shipping routes. Hence, strengthening cyber resilience and maritime security cooperation will be key for ensuring safe and uninterrupted trade flows.

# **Policy Recommendations and Strategic Initiatives**

To fully leverage the India-Middle East-Europe Economic Corridor (IMEC) and maximise long-term economic and geopolitical benefits, India must adopt a comprehensive strategy focused on infrastructure development, trade policy reforms, transformation, energy cooperation, and diplomatic Implementing targeted engagement. recommendations and strategic initiatives will strengthen India's position within IMEC, ensuring sustainable economic growth and regional influence.<sup>25</sup>

- A robust logistics and transport network is essential for India to efficiently integrate into IMEC.<sup>26</sup> India should modernise ports, railways, and multimodal transport systems to enhance trade efficiency and reduce costs. Upgrading major ports like Mumbai, Mundra, and Kochi with AI-driven cargo tracking, automated customs blockchain-based clearance. and trade documentation will facilitate faster and more secure trade flows. Strengthening rail connectivity to Gulf nations via multimodal transport networks and developing dedicated freight corridors will improve logistics efficiency. Encouraging Public-Private Partnerships (PPPs) and foreign direct investments (FDIs) in transport infrastructure will accelerate modernisation efforts.
- To ensure seamless trade integration with IMEC countries, India must expedite the India-European Union (EU) Free Trade Agreement (FTA) and strengthen trade agreements with Gulf Cooperation Council (GCC) nations.<sup>27</sup> Harmonising tariff structures, customs regulations, and digital trade standards across IMEC partners will facilitate smooth cross-border transactions. India should simplify export-import procedures, introduce single-window clearance

- systems, and implement digital documentation to enhance trade efficiency. Encouraging Indian businesses and SMEs to expand into IMEC markets through trade facilitation measures will boost India's exports and global competitiveness.
- > India's strength in digital innovation, fintech, and artificial intelligence (AI) can be leveraged to drive IMEC's digital trade transformation.<sup>28</sup> Implementing blockchain-enabled smart contracts and AI-powered supply chain management systems will ensure secure and transparent transactions. India should collaborate with IMEC partners to develop cross-border digital payment systems, integrating Unified Payments Interface (UPI) and fintech solutions for seamless financial transactions. Establishing e-commerce hubs and digital B2B platforms will help Indian businesses expand into European and Middle Eastern markets. Investments in 5G and IoT-enabled smart logistics hubs will further improve trade efficiency.
- in the global green energy transition, particularly in green hydrogen and renewable energy exports. India should develop green energy corridors within IMEC, facilitating the export of solar, wind, and hydrogen energy to the Middle East and Europe. Strengthening partnerships with Saudi Arabia and the UAE for joint investment in clean energy projects and hydrogen production plants will accelerate India's renewable energy leadership. Standardising policies on green energy trade with IMEC partners will ensure smooth integration into the global green economy.
- Figure of the geopolitical sensitivities in the IMEC region, India must adopt a balanced and proactive diplomatic approach to ensure stability and smooth trade relations. Strengthening bilateral and multilateral engagements with Saudi Arabia, the UAE, and the EU will enhance India's strategic positioning within IMEC. India should also work towards regional security partnerships to protect trade routes from geopolitical disruptions, cyber threats, and maritime piracy. Active participation in global forums such as the G20, BRICS, and WTO will further strengthen India's influence in IMEC-related trade and security policies.
- ➤ To ensure long-term success, India should create investment-friendly policies and tax incentives for foreign companies and investors looking to invest in IMEC-related projects.<sup>30</sup> Encouraging Indian and multinational companies to invest in logistics, AI-driven supply chains, and infrastructure

- projects will boost India's competitiveness. Establishing dedicated IMEC trade and investment councils will facilitate industry-government collaboration, helping businesses navigate regulatory complexities and market entry challenges. Strengthening venture capital and startup ecosystem support for IMEC-focused innovations will further enhance India's global trade leadership.
- With IMEC's reliance on digital trade and AI-driven logistics, India must develop robust cybersecurity frameworks to protect trade infrastructure from cyber threats and hacking attempts. Strengthening data protection laws, enhancing cybersecurity cooperation with IMEC partners, and investing in AI-driven security monitoring will be critical. In addition, India must work closely with Middle Eastern and European nations to strengthen maritime security, combat piracy, and ensure safe shipping routes. Establishing a joint task force on cybersecurity and trade security within IMEC will enhance trade resilience.

#### References:

- [1] https://ecfr.eu/publication/the-infiniteconnection-how-to-make-the-india-middleeast-europe-economic-corridor-happen/
- [2] https://erl.scholasticahq.com/article/123649-india-middle-east-europe-economic-corridor-a-strategic-energy-alternative
- [3] https://mepei.com/the-significance-of-the-india-middle-east-europe-corridor/
- [4] https://www.orfonline.org/research/indiamiddle-east-europe-economic-corridortowards-a-new-discourse-in-globalconnectivity
- [5] https://www.orfonline.org/research/india-charts-its-imec-path-to-global-trade-influence#:~:text=India's%20involvement%20in%20the%20IMEC,China's%20influence%20in%20global%20trade.
- [6] https://eastasiaforum.org/2024/11/07/india-charts-its-imec-path-to-global-trade-influence/#:~:text=India's%20involvement%20in%20the%20IMEC,China's%20influence%20in%20global%20trade.
- [7] https://economictimes.indiatimes.com/news/ind ia/india-us-trust-to-drive-economic-cooperation-imec-framework-to-boost-infra-collaboration-experts/articleshow/118301295.cms?from=mdr

[8] https://pib.gov.in/PressReleaseIframePage.aspx infrastructure-and-the-way-forward-for-the-?PRID=2052486 upcoming-year/ [9] https://ecfr.eu/publication/the-infinite-[20] https://www.belfercenter.org/publication/indiaconnection-how-to-make-the-india-middlenew-global-green-hydrogen-powerhouse east-europe-economic-corridor-happen/ [21] https://www.financialexpress.com/policy/econo [10] my-imec-indias-strategic-gateway-tohttps://www.ibef.org/industry/manufacturingsector-india transforming-global-trade-and-connectivity-3557012/ [11] https://apcoworldwide.com/blog/the-g20simec-initiative-an-alternative-trade-corridor-to-[22] https://www.geopoliticalmonitor.com/the-indiachinas-belt-and-road-initiative/ middle-east-europe-corridor-challenges-ahead/ [12] https://www.bradley.com/insights/publications/ [23] https://policy.trade.ec.europa.eu/eu-trade-2023/10/the-india-middle-east-europerelationships-country-and-region/countries-andeconomic-corridor-prospects-and-challengesregions/india/eu-india-agreement\_en for-us-businesses [24] https://www.trade.gov/country-commercial-[13] https://www.india-briefing.com/news/indiasguides/india-renewable-energy prospects-as-an-ev-hub-consumer-market-and-[25] https://www.vifindia.org/article/2025/january/3 production-capacity-30157.html/ 0/IMEC-a-Possibility-Put-on-Hold [14] https://www.mea.gov.in/press-[26] https://www.itln.in/logistics/imec-indiasreleases.htm?dtl/37091/Partnership\_for\_Global chance-to-manifest-itself-1350621 \_Infrastructure [27] https://www.commerce.gov.in/internationaland Investment PGII IndiaMiddle EastEuro trade/trade-agreements/indias-currentpe Economic Corridor IMEC engagements-in-rtas/india-gulf-cooperation-[15] https://www.icwa.in/show\_content.php?lang=1 council-gcc-free-trade-agreement-fta-&level=1&ls\_id=12119&lid=7393 negotations/ [16] https://www.trade.gov/country-commercialhttps://community.nasscom.in/communities/dig guides/india-digital-economy Development ital-transformation/ai-indias-digitalhttps://indianexpress.com/article/explained/expl transformation [17] ained-economics/g20-india-economy-imec-[29] https://indiafoundation.in/articles-andcorripor-indias-supply-chain-opportunitycommentaries/potential-and-challenges-for-the-8938924/ proposed-india-middle-east-europecorridor-[18] https://indianinfrastructure.com/2023/08/26/exp imec/ ansion-efforts-initiatives-to-develop-world-[30] https://www.india-briefing.com/news/indiaclass-smart-ports/ greece-bilateral-trade-and-investment-[19] 34281.html/ https://timesofindia.indiatimes.com/blogs/voice

s/modernisation-of-indias-logistics-