



Photo Source: Arab News (2025)



Gulf Research Center
Knowledge for All

The Great Corridor Conundrum

Originally Published on Arab News

Dr. John Sfakianakis

August 2025



@Gulf_Research Gulfresearchcenter gulfresearchcenter gulfresearchcenter

25
Gulf Research Center
Knowledge for All



The Great Corridor Conundrum

Originally Published on [Arab News](#)

It is a truth universally acknowledged — or at least universally marketed — that the Middle East is once again poised to be the beating heart of global commerce. Enter the India-Middle East-Europe Economic Corridor, known as IMEC, a vision unveiled in September 2023 with the flourish of a G20 communique and the optimism of a startup pitch deck. India, Saudi Arabia, the UAE, the EU, France, Italy, Germany and the US all signed on, proclaiming IMEC not just as a trade route but as proof that geography in the 21st century can still be redrawn.

The idea is seductive: a twin corridor network, one stretching from India to the Arabian Gulf, the other from the Gulf to Europe, sewn together by ports, railways and digital cables. In theory, the scheme could shave eight to 10 days off shipping times compared to the Suez route, reduce freight costs and serve as a “values-based” counterweight to China’s Belt and Road Initiative. In practice, however, bold lines on a map are the easy part; turning them into steel, concrete and functional customs regimes is where so many grand visions are lost.

Early cost estimates place IMEC’s price tag between \$20 billion and \$30 billion, a figure almost certain to rise once engineering, land acquisition and security needs are taken into account. The project began as an Indian initiative, later embraced by the EU and Saudi Arabia. Yet, unlike the Belt and Road Initiative or the International North-South Transport Corridor, India has not set up a dedicated implementing body, nor has it committed actual funding. That omission is more than a bureaucratic footnote: without clear governance and committed capital, the India-Middle East-Europe Economic Corridor risks becoming a PowerPoint concept rather than a functioning trade artery.

Financing will almost certainly rely on India-EU partnerships, with Saudi Arabia and the US playing indispensable roles. Washington’s stance is broadly positive, though it views IMEC through the lens of a larger strategic agenda tied to the Abraham Accords. For India, the calculus is more complex. A faster, more reliable route to Europe could boost exports, yet New Delhi’s domestic infrastructure



ambitions — from high-speed rail to renewable power grids — already stretch fiscal resources. Adding to the equation, President Donald Trump’s recently announced 50 percent tariffs on certain Indian exports has introduced a strategic wrinkle: can a corridor partly championed by Washington truly offset the economic sting of US protectionism?

The IMEC plan enters a crowded field. The Belt and Road Initiative, since its launch in 2013, has channeled an estimated \$1 trillion into more than 150 countries, financing everything from deep-water ports in Pakistan to railways in East Africa. The International North-South Transport Corridor is already moving goods across Eurasia and the Suez Canal — IMEC’s implicit rival — still handles more than 12 percent of global trade and is investing heavily in capacity upgrades. The new corridor’s backers frame it as a cleaner, more transparent alternative, but politics and geography are not easily tamed. European shippers may think twice if tensions with Iran escalate. India’s commitment could waver if EU carbon tariffs trigger a deeper trade rift.

For Greece, IMEC presents a more parochial contest: who gets to be the European gateway? The port of Piraeus is the obvious candidate, but it is majority-owned by a Chinese company, an awkward fact for a project marketed as a hedge against Beijing’s influence. Thessaloniki might offer an alternative, yet both ports face the same structural flaw — an underdeveloped railway network with poor links to the Balkans and beyond. In the hard reality of freight logistics, ports are only as useful as the railways that feed them. Without a robust and interconnected backbone, the dream of containers rolling smoothly from Mumbai to Munich will remain stubbornly out of reach.

Security risks loom just as large. The corridor skirts maritime zones where Iran has flexed its naval muscles more than once, while the overland legs could be vulnerable to cyberattacks, drone strikes and political unrest. The recent military conflicts in the Middle East have already slowed planning for the corridor, effectively “freezing” parts of its development. The Red Sea’s recent spate of security incidents has shown how quickly global supply chains can be thrown off course by a single attack. The Belt and Road Initiative has learned to build redundancy into its networks —



alternative ports, backup lines, diversified shipping lanes — and IMEC will need to do the same if it hopes to withstand inevitable shocks.

The economic logic is also not as clear-cut as its boosters suggest. Rail freight from India to Europe might be faster than sea, but it is more expensive — often 30 percent to 50 percent higher per container — and speed alone may not convince shippers to absorb the cost premium. Digital and energy links, another selling point of IMEC, may produce returns sooner, but they lack the visual and political symbolism of a freight train gliding across the desert. And yet, even in its current state, the corridor is a modest diplomatic success. It has brought India and the Gulf states closer, signaled Europe's willingness to invest in non-Chinese infrastructure and given Washington a convening role in a grouping that is neither a formal trade bloc nor a military alliance. But diplomacy alone cannot move freight. Clear governance structures, dependable funding and disciplined execution are what will make or break this project.

The real challenge will be execution. Coordinating engineering standards, securing rights of way, harmonizing customs rules and aligning digital protocols will require a level of bureaucratic choreography that even Brussels might find daunting. The oft-cited “phased implementation” risks becoming a euphemism for indefinite delay and, unless each segment of the corridor can operate viably on its own, the entire chain could stall. The Belt and Road Initiative's history offers no shortage of cautionary tales: gleaming ports that sit empty, railway lines mired in debt and high-profile launches followed by quiet decay. IMEC's planners would do well to study these examples — and place less emphasis on ribbon-cutting ceremonies and more on the unglamorous business of making infrastructure work in practice.

So, can IMEC deliver? Possibly — but only if it exchanges vision statements for procurement schedules, diplomatic handshakes for binding contracts and high-level endorsements for on-the-ground problem solving. The world has no shortage of trade corridors. What it lacks are corridors that deliver on their promises. IMEC has the map, the mandate and the moment. Whether it has the machinery — and the mettle — remains the billion-dollar question.

Dr John Sfakianakis is the Chief Economist at the Gulf Research Center (GRC).

Gulf Research Center
Knowledge for All



مركز الخليج للأبحاث
المعرفة للجميع



**Gulf Research Center
Jeddah
(Main office)**

19 Rayat Alitihad Street
P.O. Box 2134
Jeddah 21451
Saudi Arabia
Tel: +966 12 6511999
Fax: +966 12 6531375
Email: info@grc.net



**Gulf Research Center
Riyadh**

Unit FN11A
King Faisal Foundation
North Tower
King Fahd Branch Rd
Al Olaya Riyadh 12212
Saudi Arabia
Tel: +966 112112567
Email: info@grc.net



**Gulf Research Center
Foundation Geneva**

Avenue de France 23
1202 Geneva
Switzerland
Tel: +41227162730
Email: info@grc.net



**Gulf Research Centre
Cambridge**

University of Cambridge
Sidgwick Avenue,
Cambridge CB3 9DA
United Kingdom
Tel: +44-1223-760758
Fax: +44-1223-335110



**Gulf Research Center
Foundation Brussels**

Avenue de
Cortenbergh 89
4th floor, 1000
Brussels
Belgium

