

In this episode of the China-MENA podcast titled “The View from New Delhi: Can IMEC rival China’s Belt and Road?”, our host Jonathan Fulton and guests Ambassador Navdeep Suri and expert Kabir Taneja explore the India, Middle East, Europe Economic Corridor (IMEC) and how it may rival China's Belt and Road Initiative (BRI). We unravel India's significant strategic interests in the Middle East and how the region perceives India's expanded role in driving economic prosperity and enhancing regional security. Join us for an enlightening conversation that bridges continents and cultures on the China MENA podcast.

### **Takeaways**

- India, Middle East, Europe Economic Corridor (IMEC)
- India's Strategic Interests in the Middle East
- Regional Dynamics and Diplomatic Engagements

### **Quotes**

*“IMEC propels us towards future-proof economies, blending technology and energy integration.” - Navdeep Suri*

*“The geopolitical dynamics of the Middle East offer both a landscape of opportunities and a complex set of challenges for India.”- Kabir Taneja*

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## **Transcript:**

**Jonathan Fulton:**

Welcome to the China MENA podcast. I'm your host, Jonathan Fulton, a non-resident senior fellow at the Atlantic Council, and a political scientist at Zayed University in Abu Dhabi, United Arab Emirates. In our last episode, I talked with Jean Louis Aman about the rise of mini lateralism in the Middle East. And we touched on IMEC. The India, Middle East, Europe Economic Corridor. In an earlier episode, C raja Mohan spoke about India's growing role in the Middle East. Today, we're going to bring both of these topics together with a deep dive into IMEC. New Delhi's Observer Research Foundation or ORF recently published a report on IMEC, and I'm happy to be joined today by 2 of the report's authors, ambassador Navdeep Suri and Kabir Taneja.

**Jonathan Fulton:**

Ambassador Suri is a visiting fellow with the ORF. He's had a 36 year long career in the Indian foreign service, serving many posts around the world, including as ambassador to Egypt and the UAE. He knows Abu Dhabi very, very well. Good friend to the Emirates. Kabir is a fellow with ORF strategic studies program. His research focuses on India's relations with West Asia, specifically looking at the domestic political dynamics, terrorism, non-state militant actors, and the general security paradigm of the region. Gentlemen, welcome to the show. Navdeep, if I may, I'll begin with a question for you.

**Jonathan Fulton:**

Our last episode talked a bit about ISAAC in the context of the rise of mini laterals in the Middle East. We're going to focus explicitly on this topic today. So can you start us off by explaining what IMAAC is? What led to its establishment and what are its key features?

**Navdeep Suri:**

Jonathan, I think it's both geopolitical and geoeconomic considerations that are the backbone of this in the India, Middle East, Europe Economic Corridor Project. The way I look at it is that this proposal really emerged, out of the Abraham Accords in 2020. Those accords created the basis for Israel's relations with the UAE in particular. That led to the I two u two grouping, which came together on October 21. The first virtual summit of the IoT YouTube took place, soon after in July 2022. And then you had, this interesting meeting of the NSAs of a bunch of countries in Riyadh. And we heard that they're gonna work on the strategic transport corridor, or connectivity project. And and, I think a lot of work was going on behind the scenes, and you then saw, the announcement, on the

sidelines of the G 20 summit in September in India that, the, there's this grand agreement with the president of, US, the heads of EU, of France, Germany, Saudi Arabia, India, and so on, saying we're all and UAE, saying we're all committed to this, India, Middle East, Europe Economic Corridor Project.

**Navdeep Suri:**

Now since then, obviously, there've been a lot of challenges, for what is a very ambitious and a very futuristic project, and certainly the war in Gaza and the fallout in terms of, the anger that is quite palpable in several Arab countries, does undermine. But I think that's interesting to see that there is really, a continued, effort by several of the key players to keep underlining the significance of this project. And whether this corridor could be something that shifts the paradigm in the region from the stresses and strains that you see, to one that's connected, through prosperity. We saw when the prime minister of India visited UAE in February, there was a reference in the joint statement, reiterating both countries' commitments to the corridor. The president of France, president Macron, was in India in January on a republic day as a chief guest, and he announced that he is going to appoint an envoy for the corridor. Greece is extremely keen because it sees a lot of benefits for itself if the plan links with Piraeus or other places comes through. So what we are seeing is that there is a lot of continued interest despite the challenges and, you know, in terms of what are the key features, I think the the the important point here is that unlike the conventional thinking of a trade corridor that we see in many parts of the world, here it's really a vision to establish an economic corridor, which, looks at the future rather than at the past. It takes advantage of paradigms that did not exist 10 or 20 years ago.

**Navdeep Suri:**

It looks at not just connecting ports in Western India with the Gulf and onwards through a rail link to, Haifa and then on to Europe. But it brings into the picture, connectivity of renewable energy grids. It brings into and and and there's talks already underway with the UAE, for example, between India and UAE on a grid connectivity project. And this would play quite nicely into what India has been pushing at the international solar alliances, one sun, one word, one grid so that you take advantage of the movement of the sun, and and and invest perhaps less in battery storage technologies than you would otherwise have to. It brings green hydrogen into the equation, which is a brand new phenomenon that, everybody's talking about, to see whether you can really, create a green energy for the, for the future. And finally, again, as part of the concerns that many of the countries have about the vulnerability of some of the submarine cables, and the

dominance of China in that space, there is also an effort to create, clean, high speed, secure, data connectivity between the countries. So, you know, in terms of your question about what are the key features, I think these are the 4 legs on which the Cargill really stands.

**Jonathan Fulton:**

That's great. I mean, I can tell you just from being here in Abu Dhabi, there is a big appetite for this. And I think what you're hitting on that it's forward thinking. It's not talking about, you know, maintaining the same kind of, traditional let's ship oil out and bring stuff in. But, you know, focusing on these emerging technologies and how we can navigate this post-hydrocarbon future makes it really important, and useful for local actors. Kabir, I wanna bring it to you because that's what really lines up with a big part of the report's focus. It highlights these 3 connectivity verticals focusing on transportation, digital, and energy. How do these feature in IBAC?

**Kabir Taneja:**

Thanks, Jonathan. Look, I think the idea is, is about basically, you know, all the partner countries have fairly robust, domestic policies and domestic projects, when it comes to technology, when it comes to, transportation and so on and so forth. I think in a way, what IMEC is trying to do is significantly different from what the previous ideas have been of transportation corridors. In Particular, there have been comparisons with the north south transportation corridor, which has been, you know, on and off in limbo and out of limbo, when it comes to these kinds of things. So there is this sense of pessimism as well, in some quarters at least on how this is going to work, whether it's feasible, not feasible. But I think what at the moment, in this very nascent stage, the project is aiming to do is create basic linkages when it comes to, when it comes to, you know, sharing, best practices in technology. You know, sharing, how do you connect ports on the Indian Western Coast, or on any Indian coast to, to the railway lines in the Middle East that are being built by Saudi Arabia or by the UAE or by the Omanis and so on and so forth. So, you know, there is no large pool as such.

**Kabir Taneja:**

There's no sort of point of singularity of IMEC yet. But what it is trying to do is thread everything together in the basic stages and see sort of how that goes. You know? No one

is talking about transfer technologies. Yes. They're just saying that, you know, we need to work collaboratively when it comes to things like public distribution systems and, let's say, India's, India's, experience in delivering, in delivering governance through digital means. You know, how can those best practices be, be studied and utilized within an IMEC framework? So I think we have to slightly see it from a different point of view, compared to what traditional transportation, sorry, corridors have been. As ambassador Suri said, this is more about economic integration rather than, you know, what let's say, the north south transportation corridor. We've known how that corridor has sort of turned up.

**Kabir Taneja:**

So, you know, very basic stages, but that's how I see this shaping up in the beginning at least.

**Jonathan Fulton:**

Nice. Navdeep, you've got a lot of, deep professional experience in the Middle East. You've been posted all over the region. You know everybody here. Everybody knows you. Just how is it that India is looking at the region as a key hub for its strategic interests? And how receptive do you think Middle Eastern countries, governments, and publics are to deeper engagement from India?

**Navdeep Suri:**

So I think, Jonathan, let's step back in time. And I think the more we understand the history of the region, the more we understand the depth, and the timelines better. So India's been connected to Alexandria or out of Alexandria or of the Red Sea coast of Egypt, of ancient trading links. If you go to the medieval period, there was a vibrant trade between Gujarat, in India and the Malabar Coast in Kerala and the Gulf countries in particular. If you come later to the early part of the 20th century and the agreement between Britain and the Trucial States, you know, you saw that they were effectively being run out of Mumbai. And, the currency, all the way to 1967, in many of these places was the Indian rupee. So, you know, you've traditionally had very strong links. What I think India is trying to do is reinvigorate that relationship with a region that was always part of India's, near neighborhood.

**Navdeep Suri:**

And I think 2, 3, or 3 things have happened in the last couple of decades that, changed the situation a lot and made it much more fertile from an Indian perspective. 1 is, the rapid economic growth that we have seen as a result of the oil boom, in countries like Saudi Arabia and UAE and others. And and and those have obviously created a vast market, not just for Indian goods, but also for Indian expatriates. So you now got about 8,000,000 Indians working in the gulf, and really are a critical part of the economy of these countries. Second, we see that there's been an organic change within these countries in terms of how they perceive the region. They see India as a driver of future economic growth. And and and to that that and and in the in the new very pragmatic, avatar that you see in Abu Dhabi, in Riyadh, in, Bahrain and elsewhere, there is a recognition that if India is going to continue to grow at the rate at which we've been growing and virtually every economic, forecast suggests that we are gonna be the world's largest, fastest growing major economy for you for the next couple of decades. Then these countries see their economic prosperity in the future quite interconnected with India's growth.

**Navdeep Suri:**

India is also seen increasingly as a net contributor to security in the region. Over the last couple of months in particular, you've seen the active, sort of, interception by Indian naval ships of, pirates, of, attempts to thwart piracy attacks and so on. And there's a feeling now that, you know, given our heft in the region, we would be a key player. So coming to your question, yes, the governments and the publics of the region are very receptive to a larger Indian engagement with the region. And that has a lot to do with pragmatic self interest, and kind of a clear eye on where the ball is moving. And India, I have to say after years of neglecting the region, is today very active in its outreach. You know, the prime minister, Miss Modi has visited UAE 7 times, during the 10 years that he has been in power. That's probably larger than any other country.

**Navdeep Suri:**

And really, our relationships with UAE and Saudi Arabia and now with Egypt are becoming some of our most consequential relationships in the region. And and and and so, you know, you are seeing that that kind of proximity that existed between India and the region across the centuries, literally, today after a bit of a hiatus is being restored. I think many

of your viewers perhaps might find it almost counterintuitive that UAE, a small country, is India's 3rd largest trading partner. Our two way trade is upwards of \$80,000,000,000 and heading towards 100,000,000,000 in the next couple of years. That's larger than our trade with seven countries like France and Japan and Germany and the UK. And a lot of people don't realize how crucial this is. So when we talk about and Saudi Arabia is not lagging far behind incidentally, and trade with Saudi Arabia is growing very rapidly. Both of these countries are going to be major investors into the Indian economy.

**Navdeep Suri:**

They see, you know, for the large pools of capital that they have. They aren't going to get a lot of return out of Europe, which is fairly stagnant and and or from the US. They're gonna come from countries like India. And and and, you know, to a certain extent, their gravitation towards India, has been, has been, gaining momentum partly also due to, the slowdown of the Chinese economy, and, the focus that India finds itself in over the last few years. So there's a lot of factors combining at this point of time to create a sweet spot for the relationship.

**Jonathan Fulton:**

Yeah. I mean, again, you see this so much here in Abu Dhabi in very clear terms. Like, I've been here since 2006. And, it used to be when I talked to my students about India, it was mostly, you know, their favorite films, their favorite food. They didn't really talk about India very much in strategic terms, You know? But you're right. I think over the past decade, India has been much more engaged. You've seen a lot of engagement even back to prime minister Singh's administration, And it's really intensified. And now you've got this Hindu temple.

**Jonathan Fulton:**

You've got the SIPA that was signed with the Emirates in India. What? 2 years ago? And it's just skyrocketing trade. I think the way people see India here has really shifted a lot in the past couple of years. So it's been really interesting to watch. That said, of course, we're talking about geopolitics in the Middle East, and it's not always, quite so rosy. So, Kabir, we'll come to you for the other stuff. The challenges. Obviously, there's a lot of challenges that I may have to overcome.



**Jonathan Fulton:**

In the report, Israel is really highlighted as a very important kind of load bearing pillar with that geography, the Haifa port connecting to the eastern med and onto to Europe. Obviously, that's been a big challenge since October. Continues to be a challenge at the regional level. At the economic level, it's a really ambitious series of projects. I mean, I think that's an important way to look at things like IMEC or BRI or whatever. It's rather than one overarching project, a lot of interconnected projects. And this requires a lot of creative funding, you know, at the public and private level. How easy is it to get funding to go into this given the political and security issues that are, you know, facing the region right now?

**Kabir Taneja:**

Right. I mean, look, there have been sort of talks of funding, not just with the, with the, or between India and and and the UAE or Saudi Arabia and so on and so forth, but also from Europe and from the US. And these are some of the some of the sort of technicalities, which remains a big question, you know, where is the large lead funding going to come from? But, I think if the design, as I mentioned earlier, is about stitching together good, and robust domestic or, intraregional projects that don't really have an overarching, transcontinental, single sort of box that they are marketed in. I I don't think the funding is going to be that difficult of an issue. In fact, just the idea of being part of or being switched together with something like IMEC is going to be fairly attractive to most countries. Right? So we are I mean, we are right now, we are just talking about the UAE and the and and the Saudi, but also some of the smaller Arab states and specifically states like Israel. Now, of course, you know, there has been a setback since October 7th that is glaringly obvious. And, what kind of course correction is going to happen, I think, is anyone's guess right now.

**Kabir Taneja:**

I don't think for the next couple of months, at least, we are going to see a huge momentum, in the region on these, on these issues. But some of the things have been on the positive side is the fact that, as Vasu Suri mentioned earlier, the Abraham Accords were a springboard for things like IMEC. Just the fact that it has not collapsed, is a good thing. You know, we are still reading a lot of commentary coming from the US and Europe of

how there's going to be this very strong Arab backlash on what is happening right now, either coming from the street or or or or the countries and so on and so forth. But for the moment at least, I think the fact that Abraham Accords has held up, you know, there is travel between Israel and the UAE. It's not like people are not traveling between those two countries despite the situation. These are these are these are these are positives, to take from, for the next couple of months. Right? I think even if I was, is it in May where UAE and India are supposed to discuss the IMEC project a little bit more deeply, even if the other sort of partners are not going to be in that particular meeting? But, there is momentum, but there's going to be slow momentum, moving forward.

**Kabir Taneja:**

And beyond the point, I think it's anyone's guess right now. It's really hard to sort of crystal ball gaze on how things are going to pan out, but it's going to be a tough couple of months to get any of these projects significantly off the ground, definitely.

**Jonathan Fulton:**

Yeah. I think that's pretty fair. I also think on this show back in, I guess in late September, I interviewed an Emirati, think tanker who I'm sure, Navdeep, you know, Mohammed Bahroun, who runs a think tank in Dubai. And the whole focus was on de escalation in the Middle East and what this means. And the point he kept bringing up was there's a massive groundswell across the region for people who want to get away from all of these regional tensions, rivalries, focus on positive, you know, building a functional region that's more integrated. And despite, I think, what we've seen, in Gaza, which, of course, is just horrific on every level, but I think that that logic, that underlying logic still resonates for a lot of people. Right? That there's a big appetite to see more positive coordination like this. So, you know, I'm maybe naive.

**Jonathan Fulton:**

I'm a political scientist, so by nature, I'm usually pretty cynical and pessimistic. But I really think that what's driving a lot of people and governments in the region is a move towards something more positive. And, I have to hope that you know, like you mentioned this funding that that's coming up. You mentioned a lot of appetite for this. So I I I assume that that's going to continue soon enough.

**Navdeep Suri:**

So, Jonathan, as you mentioned and as Kabir also mentioned, the status quo in the region, a lot of leaders and particularly leadership in Abu Dhabi, feels quite strongly is not sustainable. And, so there is this vision that people have that can get over the conflicts of the last 75 years through better connectivity, through more trade, more engagement? And there's also recognition that by its very conception, the corridor project is a long gestation project. There's a heck of a lot of work to be done both on the technology, and the financial feasibility side. You know, when you're talking about green hydrogen transport, you may not even be clear about the mechanics of that today at this stage. But there's a confidence that technologies will evolve and allow that to happen. So there's an understanding that there are a lot of technological challenges to be overcome. Technologies are changing very rapidly. And, hopefully, by the time you get your ducks in a row in terms of technology and in terms of finance, the region will have a different character.

**Navdeep Suri:**

So the people who are deeply invested in this project are not looking at the here and now. They're not looking at today and the next 3 months or maybe not even the next 3 years, but they're looking at a longer term vision of trying to change this region. And that's the ambition that they have. So, coming to your, you know, your point about some countries in the region being a little nervous. You mentioned Iran. Iran's not the only one. You know, the Egyptians are deeply perturbed that their monopoly on the Suez Canal, which is very crucial to that country's economy, could be impacted. Turkey has always seen itself as a natural bridge between the countries, between the continents, between Europe and Asia, and the fact that Turkey is not part of the equation.

**Navdeep Suri:**

Jonathan, Iran is obviously concerned about, the, being bypassed by the India, Middle East, Europe corridor. But Iran's not the only one that's worried about it. You have Egypt, which is concerned that its very significant monopoly through the Suez Canal on trade between Asia and Europe gets eroded. And that, those monies are crucial to the Egyptian economy. Turkey is not too happy because Turkey sees itself as the natural bridge between Asia and Europe. And suddenly you've got this new game coming up. My view on this, frankly, is it is almost inexorable that we will see trade between Asia and

Europe grow. It is almost inevitable that you will see India's share in global trade grow in the coming years.

**Navdeep Suri:**

What we have observed in the last couple of years in particular is the need to build supply chain resilience. India sees itself increasingly as a key player in the global supply chains. You are seeing iPhones being manufactured in India and being exported around the world. You're seeing small cars by Hyundai and by Skoda and others being manufactured in India and exported to other countries. This is a trend that's going to grow exponentially in the next 10 years. So the resilience and reliability of supply chains is a crucial factor for India and and certainly for several other countries as we move forward. We saw one ship ever given block the Suez Canal and bring supply chains to a grinding halt. We've seen what the Houthi attacks in the Red Sea have done over the last, 6 months or 5 months or so since they started in November, 2023 to target shipping in the Bab el Mandeb Red Sea region.

**Navdeep Suri:**

It forced the 5 biggest shipping companies to take the Cape of Good Hope route at 6,500 kilometers to journeys. For an average container ship that leaves from the West Coast of India and heads for, say, Rotterdam, it adds \$700,000- \$750,000 extra in fuel costs. It adds 20 days extra of time. And, and, and all of that has a cascading effect on insurance premiums, on costs and and and pushes inflation apart from everything else. So I really feel that anyone interested in taking a strategic view, you need several more corridors. You can't afford to rely just on this canal. Now the INSDC was one such idea. It didn't take off partly because of US sanctions in Iran.

**Navdeep Suri:**

But, I think personally that if we get maybe 2 or 3 other connectivity corridors between the north and south, the region will be better served than the, being in a situation where one interruption can create such a cascading effect on, on on on on on trade. And for India, that's crucial because the European Union is our largest market as a block. So it's vital that we are able to have multiple options.

**Jonathan Fulton:**

Yeah. So I couldn't agree more. I mean, there's a reason why we call them choke points. Right? Then, we saw you mentioned the 2 things that I thought of immediately when you're talking about alternative transit corridors. You know, the Houthi attack on Red Sea shipping and the ship running your ground in Suez, what, 2 years ago. And just the massive attacks that or massive effects that those have had on the global economy. So, of course, diversification. Of course, maritime trade is always going to be dominant.

**Jonathan Fulton:**

More than 90% of global trade, I think, is by sea. So, but just to have alternative ports, routes And

**Navdeep Suri:**

and 30% of it passes through the space canal.

**Jonathan Fulton:**

Kabir, great to have you back. You came just for the good part because this is called the China Mean podcast, and we've been kind of skirting around China. So let's bring Beijing front and center. When IMEC was announced, as when many things were announced, I 2, u 2 was announced, different initiatives were announced. They're often presented as a competitor or in contrast with the belt and road initiative. Is that how you think that's a fair comparison to look at IMEC in contrast to the BRI? And if not, why not?

**Kabir Taneja:**

Look. I think it's, you know, it's very easy and very convenient both, to draw these comparisons. And at some level, it's even for the media and the public discourse as well. It's sexy to do so. Right? Because it is, it seems very, any I mean, anywhere or any of these projects that come up, there is an indirect or direct channel factor to it because they are the 2nd largest economy. So, you know, you can't help but draw these conclusions. But, you know, it's, I mean, the UAE is part of the BRI, and as are many many states in many states in the region. So, we could see it as a counter to China.

**Kabir Taneja:**

But I think it would be more realistic, if it is seen as a more proportionate distribution of risk, by participating countries. If it's not, I wouldn't see it as a direct counter to what China does because the Chinese model is completely different to what is being attempted at IMAC. And, but I think everyone, this is my opinion, of course, but everyone understands that at least for the next decade or decade and a half, it is going to be a bipolar contest between China and the US. We know that secretary Blinken is a Blinken in and they're discussing some stuff, but they're also fighting on a lot of stuff. So, you know, this contest is going to continue and and and countries like India or Saudi Arabia, UAE, and so on and so forth, don't just have to make the best of the situation, but they need to thrive in these situations one way or the other. And the best way to do that is to work together, with projects like ITU too. So, I don't see it as a direct, you know, contest, but, yeah, a redistribution of, of, of a threat perception of all these things.

**Jonathan Fulton:**

It's a great note for us to wrap on. Guys, I really appreciate you joining us today. It's a really helpful report. We're going to include it on the home page for the show. I really recommend, if you're not following the ORF, it's, to my thinking, probably one of the premier think tanks in Asia. Certainly, I've followed your products a lot. You get a lot of really great stuff out. And, yeah, congrats guys, on a really good project.

**Jonathan Fulton:**

Look forward to more great stuff coming out of ORF.

**Kabir Taneja:**

Thank you so much. Okay.

**Jonathan Fulton:**

And to the audience, thanks for joining us again. We've got 2 more shows coming up, pretty soon to wrap up season 2. In the meantime, please follow us on social media and, like, rate, subscribe, do all that good podcast stuff, and we'll see you very soon for our next episode.