

**G20 Summit and the India-Middle East-Europe Economic Corridor:
How Feasible is it in the Middle Eastern Complicated Environment?**

By

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[The following is a short review of the recent G20 Summit in India and the initiative on the “India-Middle East-Europe Economic Corridor”, reflecting the views of some experts, as well as an analysis and conclusion by the authors.]

The twenty largest economies in the world are collectively referred to as the Group of Twenty or the G20. It has grown to be one of the most significant multilateral organizations with respect to contemporary international politics, representing close to 80% of the global GDP, 75% of global commerce, and 60% of the world's population. It aspires to address significant global economic issues like maintaining the integrity of the financial system internationally, containing the release of greenhouse gases, and promoting sustainable development.³

The G20 was established in 1999 as a platform to talk about international economic concerns in the wake of the Asian financial crisis. Since 2008, it has held summits at least once a year, with the leaders of member states. The summits are open to invitation from other nations, international organizations, and nonprofit groups. Experts have recently acknowledged the group's strength and acknowledged that it has a significant worldwide impact. On December 1, 2022, India succeeded Indonesia as the G20 President.⁴

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³“About G20,”G20 organization, accessed September 26, 2023, <https://www.g20.org/en/about-g20/#overview>

⁴“G20 Background Brief,” *G20*, accessed September 26, 2023, https://www.g20.org/content/dam/gtwenty/gtwenty_new/about_g20/G20_Background_Brief.pdf

On September 9 and 10, 2023, New Delhi, India, hosted the G20 Summit. The G20 Presidency concentrated on six issues that were in accordance with G7 priorities: green development, inclusive growth, advancement of the Sustainable Development Goals (SDGs), advances in technology, multilateral institutions for the twenty-first century, and development driven by women. The structural informality of the G20 makes it an essential global forum for leaders of all significant industrialized and developing nations, irrespective of their political structures.[♢] The summit is customarily used as a platform to reiterate its unwavering backing for multilateralism and to encourage action to address significant and/or critical challenges.

India's G20 Presidency: Opportunity for Reformed Multilateralism

For an array of reasons, India's G20 presidency was crucial for contemporary world politics. First and foremost, defining the agenda was significant for consolidating and expanding influence and power in global politics, especially in multilateral forums. During its one-year G20 presidency, India has a significant opportunity to influence global agendas, explain policies, and create concurrence on significant economic, socio-political, and security concerns. In addition to that, India has made it a point to advocate for and represent the Global South on multilateral stages.[♣]

One of India's top foreign policy concerns is reforming multilateral bodies to make them more accountable and inclusive. The international community is searching for efficient and responsible multilateral organizations that might perform better in the field as it deals with problems including climate change, post-pandemic financial recovery, and rising geopolitical tensions. India's presidential goals therefore included reformed multilateralism that is capable of solving the problems of the twenty-first century.[♣]

[♢]World Trade Organization, *Report on G20 Trade Measures*, 2023, pp.1-5.

https://www.wto.org/english/news_e/news23_e/trdev_04jul23_wto_report_e.pdf

[♣]G20 Series, "India's G20 Presidency," accessed September 26, 2023,

<https://static.pib.gov.in/WriteReadData/specificdocs/documents/2023/sep/doc2023925255601.pdf>

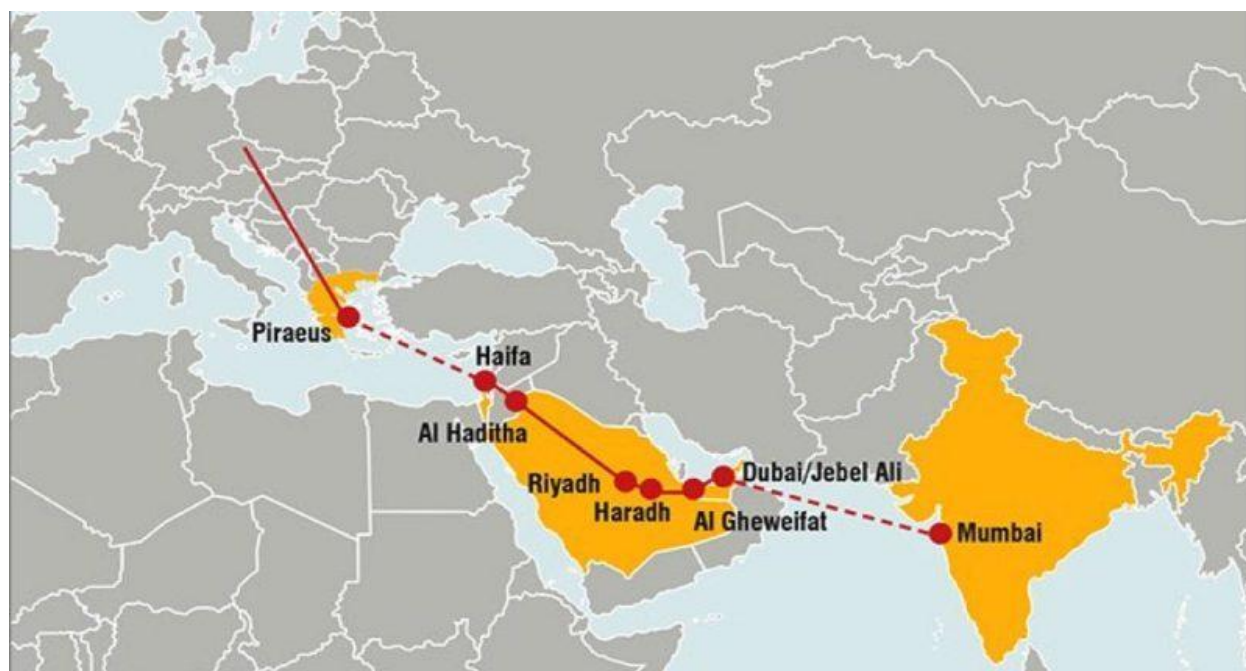
[♣]Angelos Delivorias, "The 2023 G20 Summit A deepening rift heralding an uncertain future," *EPRS*, September 26, 2023, pp.1-8.

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/751462/EPRS_BRI\(2023\)751462_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2023/751462/EPRS_BRI(2023)751462_EN.pdf)

India's presidency coincides with a time of rising international tensions, including the Ukraine crisis, where Russia and Western members of G20 are severely confronting each other, as well as the COVID global transformation. India was expected by the international community to play a key role in establishing a global consensus for tackling these challenges and establishing the future agenda for shared goods throughout the world. Similar to this, the world looks to India to help heal the growing rift between nations—not just between both developed and developing nations but also inside the West, particularly in light of the conflict between Russia and Ukraine.[^]

India-Middle East-Europe Economic Corridor

Indian Prime Minister Narendra Modi, European Commission President Ursula von der Leyen, US President Joe Biden, and Saudi Arabia's Mohammed Bin Salman unveiled a multilateral project for an economic corridor linking Europe with the Middle East and India through a network of rail and sea routes during a session at the G20 Leaders' summit in Delhi on September 9, 2023.[^]



[^]Anurag Bisen, “India’s G20 Presidency: Opportunity to Resume Engagement in the Arctic,” February 16, 2023, 1-11.

<https://www.idsa.in/policybrief/Indias-G20-Presidency-abisen-170223>.

[^]G20 Series, “India’s G20 Presidency,” accessed September 26, 2023,

<https://static.pib.gov.in/WriteReadData/specificdocs/documents/2023/sep/doc2023925255601.pdf>

India-Middle East-Europe Economic Corridor

(Source: X, formerly Twitter)

The proposed Eastern Corridor will connect India to the Middle East, while the Northern Corridor will connect Middle East to Europe. Upon completion, the railway will provide a reliable and affordable cross-border ship-to-rail transit network to supplement the current maritime and road transport routes, allowing goods and services to transit to, from, and between India, the UAE, Saudi Arabia, Jordan, Israel, and Europe.¹⁰ The US president, Joe Biden, referred to the initiative as a "really big deal" and a "game-changing investment", whereas according to Indian Prime Minister Narendra Modi, this would be a beacon of cooperation, innovation, and shared progress.¹¹ The planned corridor would boost trade efficiency and save costs while also fostering regional economic cooperation and digital connectivity. There are positive economic and geostrategic ramifications of the initiative. The Partnership for Global Infrastructure Investment initiative, which the Biden administration has been promoting, could boost commerce between India and Europe by 40% and assist in restoring normal ties between Israel and the Gulf nations.¹²

USA's Reproachment to the Middle East

According to US Deputy National Security Adviser Jon Finer, the initiative will permit the flow of trade, energy, and digital communication and significantly contribute to increased prosperity.¹³ The project, which is in line with President Biden's Middle East strategy, will enhance connectivity, de-escalate conflict, and provide a counter for China's 'Belt and Road' initiative. He further mentioned that this project will push commerce, energy trade, and digital connectivity will be executed in a transparent, non-coercive, and sustainable way.¹⁴ This initiative will be carried out in a transparent, non-coercive, and sustainable manner while pushing the boundaries of commerce, energy exchange, digital connection, and high standards. Early this year the National

¹⁰ "G20 summit: project to link India to Middle East, Europe unveiled," Aliazeera, September 9, 2023. [https://www.europarl.europa.eu/RegData/etudes/ATAG/2023/751474/EPRS_ATA\(2023\)751474_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2023/751474/EPRS_ATA(2023)751474_EN.pdf)

¹¹ V. Srinivas, "G20 @ 2023 the roadmap to indian presidency," Indian Council of World Affairs, 2022, 1-30. <http://www.ncgg.org.in/sites/default/files/lectures-document/G202023.pdf>

¹² Sanjeev Miglani, "Key takeaways from the 2023 G20 summit in New Delhi," Reuters, September 10, 2023.

¹³ "G20 summit: project to link India to Middle East, Europe unveiled," Aliazeera, September 9, 2023.

¹⁴ "G20 New Delhi Leaders' Declaration", *G20 organization*, accessed , September 26, 2023. https://www.g20.org/content/dam/gtwenty/gtwenty_new/document/G20-New-Delhi-Leaders-Declaration.pdf

Security Advisor Jake Sullivan met with Saudi Prime Minister and Crown Prince Mohammed bin Salman, UAE National Security Advisor Sheikh Tahnoon bin Zayed Al Nahyan, and National Security Advisor of India Ajit Doval in Saudi Arabia to work toward their shared vision of a more secure and prosperous Middle East region interconnected with India and the rest of the world.¹⁵ The concept for this initiative first surfaced during conversations in the I2U2 forum, which also includes representatives from India, Israel, the US, and the UAE. US Deputy NSA Finer further reflected on the prospects of Israel's normalization process with Saudi Arabia at the backdrop of the initiative.¹⁶

The Turkish Reaction

In order to strengthen its long-standing position as a transit route for goods transiting from Asia to Europe, Turkey is in intensive negotiations with regional allies over its alternative to the India-Middle East trade corridor plan that was agreed upon at the G20 summit. The proposed India-Middle East line, which would ship commodities from the subcontinent to European markets via the United Arab Emirates, Saudi Arabia, Jordan, and Israel, has been resisted by Ankara. The proposed corridor would entirely obstruct Turkey and is supported by the US and EU as they work to contain China's expanding influence. Following the G20, Turkish President Recep Tayyip Erdogan stated that there cannot be a corridor without Turkey and the best trade route from east to west must pass through Turkey. Hakan Fidan, the Turkish Foreign Minister, has reiterated his initial skepticism and noted that it is also a reflection of geostrategic competitiveness. Turkey is anxious to emphasize its long history of serving as a link between the East and West and the Silk Pathways. Ankara has instead promoted a different plan known as the Iraq Development Road proposal, with Fidan stating that intensive negotiations were ongoing over a project involving Iraq, Qatar, and the UAE.¹⁷

¹⁵ Hannah Ellis Petersen, "G20: EU and US back trade corridor linking Europe, Middle East and India," *The Guardian*, accessed September 9, 2023.

<https://www.theguardian.com/world/2023/sep/09/g20-eu-and-us-back-trade-corridor-linking-europe-middle-east-and-india>

¹⁶ "G20 New Delhi Leaders' Declaration", *G20 organization*, accessed , September 26, 2023.

https://www.g20.org/content/dam/gtwenty/gtwenty_new/document/G20-New-Delhi-Leaders-Declaration.pdf

¹⁷ Adam Samson, "Turkey floats alternative to G20's India-Middle East trade corridor plan," *Financial Times*, September 17, 2023.

<https://www.ft.com/content/0673f928-dec9-48fb-83b3-8b868a9dcbbe>



The Turkish Plan of Iraq Development Road
(Source: FT Research)

The Israeli Optimism

Israeli authorities applauded the proposal for the new commercial route that would connect Greece with Israel through Saudi Arabia, Jordan, and the seaside port of Haifa. The corridor reflects the 2017 Tracks of Regional Peace initiative, which was put out by Yisrael Katz, who was the transportation minister at the time, to link Saudi Arabia, Israel, Jordan, and the Gulf nations. It involved energy and communications as well as geography, and it wasn't just confined to trains. The UAE and Israel will be connected by a railway that would include a high-speed train connection between the cities of Beit She'an and Eilat, according to a plan unveiled by Israel's current transport minister, Miri Regev, six months ago.^{1^}

^{1^}Dr-Adnan-Abu-Amer, "Israel may not get all that it hopes for from the proposed India-Europe trade corridor," *Middle East Monitor*, September 25, 2023.
<https://www.middleeastmonitor.com/20230925-israel-may-not-get-all-that-it-hopes-for-from-the-proposed-india-europe-trade-corridor/>

Months later, Washington and Tel Aviv pushed for the development of a road route connecting the UAE, Saudi Arabia, Jordan, and Israel that would go straight from the Gulf to the ports on the coast of occupied Palestine, allowing for the shipment of products to Europe and boosting travel. With this, the expenses and travel times will be greatly reduced. Israel is aware that this would materially affect its economy. In addition to enhancing existing normalization and providing the process with a long-term context, it may enable it to attain financial parity with the Gulf and become integrated across the region.¹³ Despite the lack of information or a timetable, Israeli Prime Minister Benjamin Netanyahu lauded the initiative, calling it wonderful news for Israel and asserting that it will be the greatest cooperative endeavor in Israel's history and transform the Middle East for the sake of everybody. He affirmed that Israel will serve as a major intersection along this economic corridor, and the initiative will usher Israelis into a revived period of collaboration and involvement on a global and regional scale.¹⁴

Israelis also recognized a logical connection between Biden's economic route and the current dialogue over Saudi normalization. They contend that by competing with China and Russia for the European market, the US is drawing India closer to the West and the US while putting New Delhi further away from Beijing and Moscow. As a technical force in several industries, including security, Israel thinks it has an important stake in the corridor project, making it crucial for all participants.¹⁵

Implementation of the IMEC initiative: How Feasible is it?

The India-Middle East-Europe Economic Corridor (IMEC) has a number of serious difficulties and challenges that need to be addressed, the most significant of which is that it may harm the interests of established Middle Eastern nations like Iran, Turkey, and Egypt. The project will avoid Egypt's Suez Canal, which is the country's primary source of revenue. Turkiye is the best route for

¹³ *ibid*

¹⁴ Dr. Mohammad Makram Balawi, "Netanyahu's delight at the IMEC project is probably premature," *Middle East Monitor*, September 14, 2023.

<https://www.middleeastmonitor.com/20230914-netanyahus-delight-at-the-imec-project-is-probably-premature/>

¹⁵ *ibid*

east-west commercial flow connecting India, the Middle East, and Europe. President Recep Tayyip Erdogan didn't wait long to say that there wouldn't be a such corridor without Turkiye. Ankara sees the proposal as an effort to divert traffic from this natural route connecting the continents. Iran will view the IMEC as a setback for the Belt and Road Initiative-related railway project between Iran and Iraq. In the past, India, Iran, and Russia collaborated to create the International North-South Transport Corridor (INSTC) in 2000, but owing to US pressure, it has been blocked for more than 20 years. In an effort to resurrect it, Tehran has been shipping products from the Russian port of Astrakhan across the Caspian Sea, the Iranian port of Anzali, and then by land to the Gulf before sending them by sea to the Indian port of Nhava Sheva. The American IMEC project would eclipse Tehran's historically friendly relations with India and bring Iran closer to India's enemy, Pakistan.

The initiative was announced during the G20 Summit, soon after the Summit of BRICS in South Africa, where 4 key countries in the Middle East, Egypt, the Islamic Republic of Iran, Saudi Arabia, and the United Arab Emirates joined the BRICS. The BRICS+ would have a significant impact on sustainable developments in the Middle East. Such ongoing advances are offering multilateralism new dimensions in the Middle East.

The effort on the new initiative would also act as a counterweight to China's massive Belt and Road infrastructure project, which presently spans Asia, Africa, and Latin America and has given China significant sway over nations with weak economies. Jake Sullivan, Biden's national security advisor, stated that the project itself is ambitious and transformative. It is no secret that the US views the IMEC's primary goal as competition with China, and the establishment of a strategic and economic defense structure against Chinese influence in the area.

Given the particularity of the Middle East, due to the acute problem of occupation of Palestine, even economic and development initiatives shall face political and security challenges. It's one thing to announce a project, but quite another to actually accomplish it. In view of the above, it will be intriguing to observe if the Middle Eastern States would collaborate in the prevailing complications, or commit to complementary courses of action, or stick to their existing unpredictability and volatility.

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