The India - Middle East - Europe Economic Corridor:

A Catalyst for Regional Integration and Global Prosperity

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KONRAD ADENAUER STIFTUNG

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המכון לביטחון לאומי ולאסטרטגיה ציונית
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OPENING LETTER FROM THE MISGAV INSTITUTE FOR NATIONAL SECURITY AND THE KONRAD ADENAUER FOUNDATION ISRAEL

The India-Middle East-Europe Corridor (IMEC), launched officially at the September 2023 G20 Summit, is a transformative initiative with the potential to accelerate global economic growth, enhance European resilience, and advance Middle East cooperation. Endorsed by the EU, Germany, France, Italy, UAE, Saudi Arabia, India, and the United States, and with the involvement of Israel, Jordan, Greece, Cyprus and additional countries, IMEC aims to create an integrated multimodal transport network linking India to Europe. Central to IMEC's vision is the construction of an overland rail network linking the GCC to Israel, supplemented by infrastructure for digital connectivity, electricity transmission, and clean hydrogen.

Despite its immense promise, the IMEC initiative has thus far been under-examined in terms of detailed impact assessments, cost-benefit analyses, and implementation strategies. This report, a joint project between the Misgav Institute for National Security and the Konrad Adenauer Foundation Israel Office, seeks to bridge that gap, offering a rigorous exploration of IMEC's potential benefits, economic impacts, logistical requirements, and implementation challenges. In order to realize IMEC's full potential, the report concludes with fifteen concrete recommendations for advancing the initiative.

Our research demonstrates that IMEC could significantly shorten transit times between India and Europe by more than 50% (an even greater time savings than previously assumed), and dramatically improve trade efficiency within the Middle East. Given the rapid growth in Europe-India and UAE-Israel trade volume, IMEC's potential economic impact is considerable. Even modest utilization rates could generate substantial direct economic benefits, employment opportunities, infrastructure investment, and technological advancement across participating countries. Furthermore, IMEC offers strategic advantages by enabling the West to diversify critical supply chains away from reliance on routes dominated by China, Russia and Iran.

In addition to its broad advantages, IMEC also offers particular benefits for each of the participating countries. For Israel, IMEC could be a key avenue for advancing regional integration in the spirit of the Abraham Accords. For Germany, IMEC can serve as a central framework for strengthening the increasingly-important German-Indian partnership, while creating numerous opportunities for German exporters and companies, particularly given Germany's expertise in the fields of transportation, logistics and infrastructure. IMEC would also support Germany's National Hydrogen Strategy, as well as Germany's foreign policy goals of advancing Middle East peace and ensuring Israel's security.

Given IMEC's enormous promise for fostering deeper regional integration, sustainable economic growth, and enhanced geopolitical resilience, the Misgav Institute and the Konrad Adenauer Foundation are pleased to present this joint report, in service of our shared aim to advance regional cooperation, peace and prosperity. We hope this study will serve as a foundational reference and catalyst for proactive collaboration among policymakers and stakeholders committed to the successful realization of IMEC's visionary potential.

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EXECUTIVE SUMMARY

- The India-Middle East-Europe Corridor (IMEC) initiative holds the potential to transform global trade, strengthen regional cooperation, and catalyze international economic growth.
- In the words of the September 2023 IMEC MOU, signed by the EU, Germany, France, Italy, UAE, Saudi Arabia, India and the U.S., the corridor "will increase efficiencies, reduce costs, enhance economic unity, generate jobs, and lower greenhouse gas emissions – resulting in a transformative integration of Asia, Europe and the Middle East."
- IMEC is envisioned to include two separate corridors – the East Corridor connecting India to the Arabian Gulf and the Northern Corridor connecting the Arabian Gulf to Europe.
- In addition to a sea-rail trade route, the IMEC vision includes trans-regional infrastructure for electricity, green hydrogen and digital connectivity.
- Despite the tremendous potential of IMEC, there have been relatively few in-depth studies of its specific components, projected benefits, costs and obstacles. This study aims to assist in filling this gap, and to provide concrete recommendations for advancing implementation.
- Drawing on precedents such as the Hejaz Railway and Israel's Tracks for Regional Peace proposal, IMEC gained momentum following the 2020 Abraham Accords. Despite regional tensions following Hamas' October 7, 2023, terror attack, IMEC partner countries continue to advance the initiative.
- IMEC has taken on increasing importance as a result of the growth in EU-India trade, the desire of the EU and U.S. to reduce dependence on China, and disruptions to Red Sea shipping.
- Following the return of President Trump to the White House, IMEC has seen renewed momentum.
- While official statements indicate that IMEC could provide a 40% time savings on transit from India to Europe, this study finds that expected time savings may be even greater, exceeding 50%. The potential time savings for UAE-Israel trade are even more dramatic, ranging from 65%-93%.
- In terms of the expected volume of trade utilizing IMEC, this study considers that EU-India trade reached €124 billion in 2023, that EU imports from India grew at an annual rate of 13.2% while exports grew at a rate of 6.1%, and that approximately 90% of EU-India trade is containerized.
- It also considers that trade between the UAE and Israel has grown by more than 165% since the signing of the Abraham Accords.

- Therefore, even if only a limited percentage of Europe-India and intra-Middle East trade utilizes IMEC, this would have significant economic benefits for IMEC countries in terms of direct revenues, employment, infrastructure and technological development.
- IMEC will enable the EU to decrease its dependency on China in critical areas such as pharmaceuticals, electronics and textiles.
- European nations, such as Germany, can leverage their expertise in transportation, logistics and infrastructure to play a key role in the development of the corridor.
- Additional country-specific benefits include the opportunity for the UAE and Saudi Arabia to strengthen their position as global logistics hubs, for Jordan to realize its long-planned national railway project, for Israel to expand its regional integration, for India to accelerate the growth of key domestic industries, and for the West to counter-balance initiatives such as BRI and INTSC, dominated by China, Iran and Russia.
- Given that sea transport will remain generally less expensive than overland freight, this study examines which types of goods, such as time-sensitive and high-value items, and those with high inventory costs, would be likely to utilize IMEC.
- The study also maps out projected rail routes, key ports and border crossings, in order to identify where the necessary freight infrastructure currently exists, and where it is missing.
- The paper also considers potential funding sources for IMEC, and examines projected costs.
- The study concludes with fifteen recommendations for advancing IMEC in an efficient and expedited manner.
- These recommendations include the convening of an IMEC Leaders Forum in 2025, and the establishment of an IMEC Secretariat and four Working Groups in the fields of Infrastructure, Financing, Security and Regulations.
- The U.S. and EU should designate IMEC as a priority initiative within the ‘Partnership for Global Infrastructure and Investment’ and ‘Global Gateway’ frameworks, and diverse public-private partnerships should be advanced.
- China’s involvement in key nodes along the corridor should be mitigated.
- Countries along the IMEC route should enhance cooperation to ensure customs and standards integration, a shared legal framework, the implementation of best-in-class trade technologies, and robust physical and cyber-security protocols.
- This cooperation on overland trade can then be leveraged to advance IMEC-related energy, electricity and digital connectivity as well.

INTRODUCTION

Advancing regional cooperation and integration is key to shaping a peaceful, prosperous and sustainable future for the Middle East. At the same time, realizing the tremendous potential of enhanced regional integration will have positive impacts far beyond the Middle East. Such integration will strengthen global supply chains, accelerate economic growth from the West to the Indo-Pacific, help mitigate regional conflict, and counter-balance the efforts of destabilizing actors in the Middle East.

A central pillar of regional integration in the Middle East is the envisioned India-Middle East-Europe Economic Corridor (IMEC), officially launched at the September 2023 G20 Summit in New Delhi. The IMEC initiative proposes the creation of an intermodal trade corridor, connecting India to Europe via the UAE, Saudi Arabia, Jordan and Israel (potentially including other regional countries as well.) In addition to the creation of an overland freight rail route from the GCC to Israel, IMEC is also expected to include regional electric and digital connectivity, and a pipeline for the export of clean hydrogen.

According to the signatories to the September 2023 IMEC Memorandum of Understanding (MOU), which included the EU, Germany, France, Italy, Saudi Arabia (KSA), UAE, India and the U.S., the corridor will "secure regional supply chains, increase trade accessibility, improve trade facilitation, and support an increased emphasis on environmental, social, and government impacts."[1] The signatories expect IMEC to "increase efficiencies, reduce costs, enhance economic unity, generate jobs, and lower greenhouse gas emissions – resulting in a transformative integration of Asia, Europe and the Middle East."[2]

Hamas' October 7, 2023 terror attack and the multi-front war that ensued, which included repeated Houthi attacks on Red Sea shipping, emphasized the importance of IMEC for regional stability and global resilience. Indeed, given geopolitical tensions as a result of the post-October 7 war, it is likely that expanding multilateral regional cooperation, with the participation of external partners such as the EU, U.S. and India, will become an increasingly-important pathway for advancing normalization in the spirit of the Abraham Accords.

Despite the international interest in IMEC, and its transformative potential, there have been surprisingly few in-depth studies published examining the details and specifics of the proposed initiative. For example, there have been relatively few published papers analyzing the various sections and infrastructure gaps along the proposed overland freight corridor, the concrete challenges to be overcome in order to operationalize the trade route, the expected benefits and

1 The White House. "Memorandum of Understanding on the Principles of an India-Middle East-Europe Economic Corridor." The White House Archives, September 9, 2023. https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2023/09/09/memorandum-of-understanding-on-the-principles-of-an-india-middle-east-europe-economic-corridor/

2 Ibid.

incentives for each of the participants, and counter-arguments regarding its expected utility. Such research is necessary in order to translate the grand vision of IMEC into global buy-in, investment and coordinated action.

This study aims to contribute to filling this gap. It will briefly examine the history and development of the IMEC initiative, highlight the steps necessary to advance its implementation, analyze projected benefits and specific challenges, and conclude with recommendations for advancing IMEC and maximizing its expected utility. The paper will focus on the overland trade route component of IMEC, rather than the digital or energy-related components. It will argue that with the right strategies, investment and coordination, it is possible to turn the IMEC vision of integration, cooperation and mutual prosperity into a reality, for the benefit of the Middle East and the entire world.

IMEC: HISTORY AND DEVELOPMENTS

The first regional rail route in the Middle East was the Hejaz Railway, built between 1900 and 1908 under the Ottoman Empire. The Hejaz Railway was a narrow-gauge rail line stretching over 1,300 kilometers, intended to connect Damascus to Medina. It also included a branch that reached Haifa on the Mediterranean coast. The Hejaz Railway suffered significant damage during World War I, and largely fell into disuse in the post-war period, though sections have been restored, particularly in Jordan.

In 2017-2018, Israeli Prime Minister Benjamin Netanyahu and then-Transportation Minister Israel Katz proposed the Tracks for Regional Peace initiative, partly inspired by the Hejaz Railway. The initiative proposed connecting Israel's Haifa port to the ports of Saudi Arabia, the UAE and Bahrain via a rail line. While cost estimates were not made publicly available, the Israeli government stated that it expected such a railway to be profitable within ten years,[3] and that the potential trade flows via the overland route were expected to reach $250 billion by the year 2030.[4] Israel worked to advance this initiative vis-à-vis a number of countries including the United States, India and Oman. The historic Abraham Accords peace agreements signed in 2020, and the I2U2 (Israel, India, U.S., UAE) grouping launched in 2022, made the realization of such a project much more realistic.

On September 9, 2023, the EU, Germany, France, Italy, Saudi Arabia, UAE, India and the U.S., a group of countries which represents approximately 48% of global GDP, signed the IMEC MOU in New Delhi. The relatively-concise MOU envisions that:

> *The IMEC will be comprised of two separate corridors, the east corridor connecting India to the Arabian Gulf and the northern corridor connecting the Arabian Gulf to Europe. It will include a railway that, upon completion, will provide a reliable and cost-effective cross-border ship-to-rail transit network to supplement existing maritime and road transport routes – enabling goods and services to transit to, from, and between India, the UAE, Saudi Arabia, Jordan, Israel, and Europe.*[5]

3 "Tracks for Regional Peace – Regional Landbridge and Hub Initiative." *YouTube*, uploaded by Israeli Foreign Ministry, August 5, 2019. https://www.youtube.com/watch?v=JTVybDX8nAM

4 Ibid.

5 "Memorandum of Understanding on the Principles of an India-Middle East-Europe Economic Corridor." *The White House Archives*.

As noted, the MOU also proposes advancing electric and digital connectivity between the participating countries, as well as a green hydrogen pipeline. While short on details, the MOU declares that, "the Participants intend to meet within the next sixty days to develop and commit to an action plan with relevant timetables."[6]

However, 28 days after the signing of the MOU, Hamas launched its massive terror attack against Israel, sparking a regional multi-front war. Nevertheless, progress on IMEC continued. In February 2024, French President Macron appointed Gérard Mestrallet, former chairman of Engie, as France's Special Envoy to IMEC. In the same month, the leaders of India and the UAE signed an Inter-Governmental Framework Agreement on cooperation for the empowerment and operation of IMEC,[7] with numerous follow-up discussions taking place over the following months on both the governmental and private sector levels.[8] Greek Prime Minister Kyriakos Mitsotakis declared that month that, "the war in Gaza and turmoil in the Middle East is undoubtedly destabilizing, but it does not undermine the powerful logic behind IMEC. Nor should it weaken our resolve to work towards realizing it."[9]

In September 2024, India and the UAE signed an agreement to establish a Virtual Trade Corridor in order to advance IMEC. This also included implementing a Master Application for International Trade and Regulatory Interface (MAITRI), which integrates Indian and UAE trade and operational portals. MAITRI is meant to streamline India-UAE trade by optimizing efficiencies, leveraging technologies, easing regulatory compliance and enhancing operations and transparency.[10]

IMEC received renewed focus following U.S. President Donald Trump's return to the White House in January 2025. In February 2025, Trump and Indian Prime Minister Narendra Modi met in Washington and released a statement noting, "the importance of investing in critical infrastructure and economic corridors to advancing peace and security in the region" and sharing that, "the leaders plan to convene partners from the India-Middle East-Europe Corridor and the I2U2 Group within the next six months in order to announce new initiatives in 2025."[11]

6 Ibid.

7 Press Information Bureau. "Cabinet Approves Memorandum of Understanding between India and the UAE on Cooperation in the Field of Industries and Advanced Technologies." *Government of India*, February 15, 2024. https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2014134

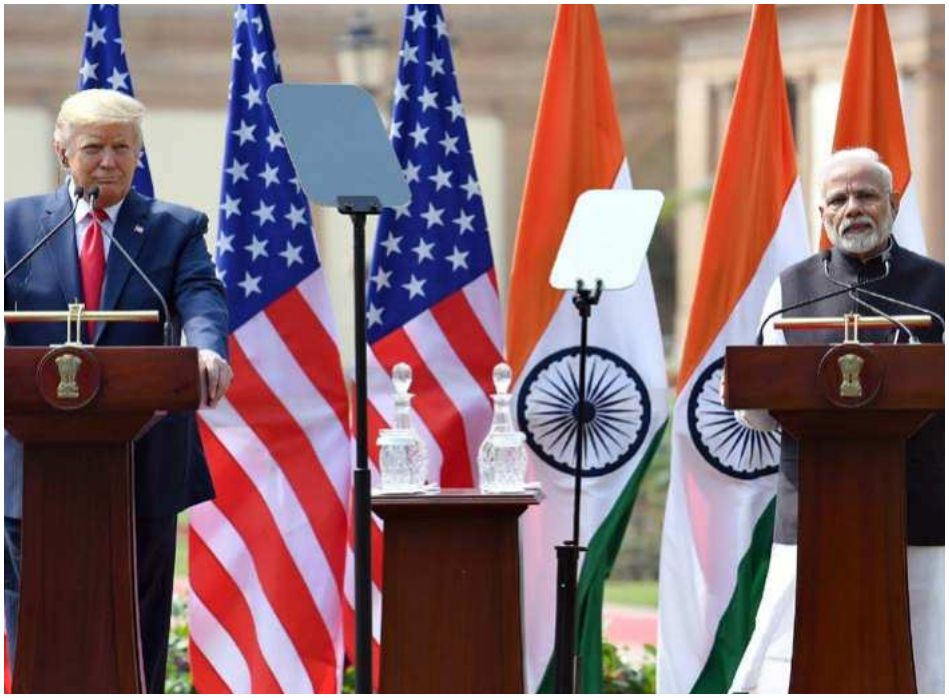
8 For example, in a May 2024 meeting between governmental and private sector entities (See "Indian Delegation Holds Talks with Key Entities in UAE on IMEEC." *The Hindu*, May 2024. https://www.thehindu.com/news/international/indian-delegation-holds-talks-with-key-entities-in-uae-on-imeec/article68189701.ece), and a December 2024 meeting on the level of foreign ministers (See The Economic Times. "India, UAE Discuss IMEEC; Resolve to Expand Energy, Trade Ties." *The Economic Times*, December 2024. https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uae-discuss-imeec-resolve-to-expand-energy-trade-ties/articleshow/116295662.cms)

9 The Hindu. "India, Greece Agree to Expand Cooperation in Diverse Areas." *The Hindu*, https://www.thehindu.com/news/national/india-greece-agree-to-expand-cooperation-in-diverse-areas/article67870320.ece

10 Dipanjan Roy Chaudhury, "India-UAE IMEEC Gets a Leg-up during Abu Dhabi Crown Prince Visit," *The Economic Times*, February 29, 2024. https://economictimes.indiatimes.com/news/economy/foreign-trade/india-uae-imeec-gets-a-leg-up-during-abu-dhabi-crown-prince-visit/articleshow/113268215.cms

11 The White House. "United States-India Joint Leaders' Statement." *The White House*, February 2025. https://www.whitehouse.gov/briefings-statements/2025/02/united-states-india-joint-leaders-statement/

Trump declared at a press briefing with Modi that, “we agreed to work together to help build one of the greatest trade routes in all of history. It will run from India to Israel to Italy and onward to the U.S., connecting our partners, roads, railways and undersea cable.”[12]



President Trump and PM Modi meet in New-Delhi Credit: YashSD, Shutterstock

12 The Times of India. “PM Modi Is a Much Tougher Negotiator Than Me, Not Even a Contest, Says Trump.” *The Times of India*, date not specified. https://timesofindia.indiatimes.com/india/pm-modi-is-a-much-tougher-negotiator-than-me-not-even-a-contest-says-trump/articleshow/118230276.cms

IMEC TRADE CORRIDOR: KEY INFRASTRUCTURE AND HUBS

In order to advance IMEC in a concrete manner, it is necessary to map out the key components of the proposed overland corridor from the point of view of transportation and logistics infrastructure. Some components of the corridor already exist and can be integrated into the proposed regional network, some need to be enhanced or expanded, and some do not exist and need to be constructed as greenfield projects. The following section of this paper will assess these components, presenting the key sea ports and border crossings likely to make up central nodes of the route. The paper will then examine the proposed freight railway, mapping those sections that are already built and could be incorporated into IMEC (with adaptation or expansion as necessary), and those that are missing. It will focus on the route that is likely to make up the backbone of IMEC, going from India to the UAE to Saudi Arabia to Jordan to Israel to Europe. However, it should be noted that it is certainly possible that IMEC will include branches connecting to additional regional countries such as Kuwait, Qatar, Bahrain, Oman and perhaps in the future, Iraq, Lebanon and Syria.

KEY SEA PORTS

The following are key sea ports along the IMEC route.

India	UAE	KSA	Israel	Europe[13]
Mundra (Gujarat) Kandla (Gujarat) Jawaharlal Nehru Port Trust (Navi Mumbai)	Fujairah Jebel Ali (Dubai) Khalifa (Abu Dhabi)	Dammam (King Abdul Aziz)	Haifa	Piraeus (Greece) Messina (Italy) Trieste (Italy) Marseille (France)

13 There is some competition among European ports as to which will be the primary end point for IMEC, although they are not mutually exclusive. In fact, IMEC will benefit from having multiple European ports serving as key destinations.

BORDER CROSSINGS

A critical element of IMEC will be the border crossings between the countries that make up the Middle East component of the route. IMEC's success as an attractive alternative to traditional sea routes will depend to a significant extent on the adoption of efficient and expeditious bureaucratic, regulatory, logistical and security procedures at these crossings. Existing border crossings will need to be upgraded in order to ensure the necessary infrastructure and expand capacity. While additional border crossings may also be utilized, the below are those likely to serve as main thoroughfares for IMEC overland trade.

UAE-KSA	KSA-Jordan	Jordan-Israel	Jordan-PA-Israel
Al Ghuwaifat – Al Batha	Al Haditha – Al Umari	Sheikh Hussein – Jordan River	King Hussein – Allenby

OVERLAND RAIL ROUTE

The backbone of IMEC will be the rail route connecting the UAE to Israel. Some sections of this route are already built and can be incorporated into IMEC, while others are not. Filling the gaps in rail infrastructure will require complex planning and substantial investment. The following table details the status of the various sections of the proposed route.

Section	Status	Description	Length
UAE	Built	The Etihad Rail connects the UAE's major ports and industrial centers, stretching from Fujairah to Abu Dhabi and the UAE-KSA Al Ghuwaifat border crossing.	~1,200 km
UAE to KSA	Not built	There is a need to build a train line connecting the Al Ghuwaifat-Al Batha border crossing to the Saudi East Train network at Haradh or Dammam	To Haradh: ~290 km To Dammam: ~350 km
KSA	Built	The Saudi East Cargo Train connects Dammam and Haradh to Riyadh. The Saudi North Train line runs from Riyadh to Qurayyat, approximately 30 km from the Saudi-Jordan Al-Haditha border crossing. (Alternatively, the train route could go from Dammam to Ras Al-Khair, and then directly to Qurayyat without passing through Riyadh.) It should be noted that portions of the route are currently used for passenger trains, and may need to undergo modifications for freight.	Haradh-Riyadh-Qurayyat: ~1,649 km Dammam-Riyadh-Qurayyat: ~1,749 km Dammam-Ras Al-Khair-Qurayyat: ~1,715 km

Section	Status	Description	Length
KSA: From Qurayyat to the Al Hadith-Al Umari (KSA-Jordan) border crossing	Not built		~30 km
Jordan	Not built	Jordan does not currently have a standard gauge (1,435 mm) train network. The only network operating in the country is based on the remnants of the Hejaz Jordan Railway, which employs a narrow gauge track (1,050 mm). Jordan has been exploring plans for a national standard gauge rail line since at least 2009,[14] but relatively little progress on construction has been made to date.	~190 km-~220 km depending on route.
Israel: From Sheikh Hussein-Jordan River (Jordan-Israel) border crossing to Beit Shean	Not built		~15 km
Israel	Built	From Beit Shean to Haifa Port	~60 km

With regards to rail connections to other GCC countries, the Oman-UAE Hafeet Rail (originally the UAE-Oman Railway Network) is in the most advanced stage of construction. The Hafeet Rail aims to link Abu Dhabi in the UAE with Sohar Port in Oman, constituting the first section of the planned intra-GCC Gulf Railway. The 303 km railway, estimated to cost $3 billion, will feature trains transporting up to 15,000 tons of freight. Construction contracts worth $1.5 billion were signed in April 2024 and preparatory work began in May 2024. The railway is expected to benefit sectors like mining, steel, agriculture, retail, e-commerce, and petrochemicals, and will connect Oman to the envisioned IMEC network.

14 Wilkinson, Joanne. "BNP Paribas Leads Advisory Team on $6.4bn Jordanian Rail Link." *MEED (Middle East Economic Digest)*, July 27, 2010. https://www.meed.com/bnp-paribas-leads-advisory-team-on-6-4bn-jordanian-rail-link/

EXPECTED BENEFITS OF IMEC

IMEC, if operationalized in an efficient manner, promises a diverse array of benefits and advantages for a broad range of stakeholders. The corridor has the potential to serve as a transformative economic engine, optimizing global supply chains, enhancing regional resilience, increasing mutually-beneficial trade between complementary economic hubs, and driving job creation, local business development and infrastructure investment. IMEC will also create new opportunities for cooperation in key areas of innovation and technology, such as cyber-security, AI-driven logistics, and sustainable low-carbon transport.

Geopolitically, IMEC enhances regional integration, which will encourage stability and peace, mitigate conflict, and create incentives for regional economic and security cooperation. In order to realize the full benefits of IMEC, partner countries will have to synchronize their policies, procedures and regulations, and ensure open channels of communication. IMEC could also allow for progress towards normalization between Israel and additional Middle East states, due to the need for ongoing cooperation and coordination, even in the absence of full diplomatic relations.

On the global level, IMEC can create an economic alliance of moderate and peace-seeking states, and provide a Western-aligned alternative to competing routes dominated by destabilizing actors. This includes serving as an alternative to the International North–South Transport Corridor dominated by Iran and Russia, and to elements of China's Belt and Road Initiative.

The following section will highlight official statements regarding the concrete benefits to be provided by IMEC, present insights from other overland routes, analyze the types of goods and trade most likely to utilize IMEC, and examine the benefits to be derived by specific partner countries.

OFFICIAL STATEMENTS REGARDING EXPECTED IMEC BENEFITS FOR EU-INDIA TRADE

One of the statistics most widely-quoted with relation to IMEC is that its implementation will decrease transit time for goods between India and Europe by 40%. European Commission President Ursula von der Leyen, in her 2023 State of the Union Address, declared:

> *Just last week I was in New Delhi to sign the most ambitious project of our generation – The India-Middle East-Europe Economic Corridor. It will be the most direct connection to date between India, the Arabian Gulf and Europe: With a rail link, that will make trade between India and Europe 40% faster.*[15]

15 von der Leyen, Ursula. "2023 State of the Union Address by President von der Leyen." *European Commission*, September 13, 2023. https://ec.europa.eu/commission/presscorner/detail/en/speech_23_4426

Another estimate regarding the expected time savings from IMEC was given by Saudi Crown Prince Mohammed bin Salman. In an interview aired on September 21, 2023, bin Salman told Fox News that the IMEC project, "Will cut the time of goods from India to Europe by three to six days. It will cut time, save money, and is more safe and more efficient."[16]

With regards to cost savings, a statistic that appears frequently in articles about IMEC is that the route will reduce costs by 30%. However, the origin of this number seems not to be in any official statement or in-depth study, but in unsourced media reports.[17] It will therefore need further corroboration to confirm its accuracy.

INSIGHTS FROM OTHER ASIA-EUROPE OVERLAND ROUTES

One indication of the potential time saving and cost saving benefits of IMEC are the savings derived from another overland trade route connecting Asia to Europe. China-Europe trade has traditionally relied on sea routes, but options for overland trade have increased over the last fifteen years. According to Sino Shipping, a China-based international freight forwarder, the transit time from China to Europe for goods by rail is 45%-50% shorter as compared to sea freight, and 50% cheaper than air cargo (while more expensive than sea freight). The company notes further that the rail route can present a time saving of 12 to 14 days compared to the sea route.[18]

According to another Chinese freight forwarder, TJ China Freight, transporting a container from China to Europe by rail (via Kazakhstan, Russia, Belarus, Poland and Germany) costs between $7,000 and $9,000, while transporting by sea costs $6,000 and by air $32,000.[19]

UN Trade and Development (UNCTAD) notes that overland trade between China on the one hand, and Turkiye and Europe on the other, via routes known as the Middle and Southern Corridors, provides substantial time savings in comparison to sea shipping. The UN organization states that transport from Lianyungang, China, to Türkiye or EU countries via these corridors takes between 13 and 23 days, while the maritime route via the Suez Canal takes between 35 and 45 days.[20]

16 "Saudi Arabia's MBS Says India-Europe Corridor Will Lead to Faster, Safer Trade." *Al Arabiya English*, September 21, 2023. https://english.alarabiya.net/News/saudi-arabia/2023/09/21/MBS-says-Mid-East-India-Europe-corridor-will-lead-to-faster-safer-trade

17 See for example: "A Corridor of Immense Promise." *The Hindu Business Line*, August 25, 2023. https://www.thehindubusinessline.com/opinion/a-corridor-of-immense-promise/article67296263.ece

18 "Sino Shipping – Rail Freight from China." *Sino Shipping*, accessed April 3, 2025. https://www.sino-shipping.com/rail-freight-china/

19 "Why Choose Rail Freight for Shipping from China to Europe, Central Asia, Russia?" *TJ China Freight*, accessed April 3, 2025. https://www.tj-chinafreight.com/why-choose-rail-freight-for-shipping-from-china-to-europe-central-aisa-russia/

20 "New Corridors for Global Trade." *UNCTAD*, July 7, 2023. https://unctad.org/news/new-corridors-global-trade#:~:text=Transport%20from%20Lianyungang%2C%20China%2C%20to,between%2035%20and%2045%20days

TRANSIT TIME: IMEC VS. SEA ROUTE

According to schedules provided by the global shipping company Maersk, expected shipping time by sea from Mundra Port in India to Piraeus Port in Greece is 41-42 days. According to those provided by another global shipping company, MSC, expected shipping time is 34-36 days. While the actual time it will take for a shipping container to transit from Mundra to Piraeus via IMEC will depend on numerous factors, from rail infrastructure to the efficiency of border crossings, the following table presents the expected IMEC transit time as compared to traditional sea routes.

Route	Estimated Transit Time	Route Details
IMEC Freight Rail Route (Mundra → Jebel Ali Port → Rail from Dubai to Haifa Port→ Piraeus)	15-22 Days	Mundra to Jebel Ali (sea): 5-6 days (Maersk & MSC) Handling at Jebel Ali Port: 1-2 days Jebel Ali to Haifa (rail): 3-6 days Handling at Haifa Port: 1-2 days Haifa to Piraeus (sea): 5-6 days (MSC)
Traditional Sea Route (Mundra → Suez Canal → Piraeus)	34-42 days (Maersk & MSC)	

Note regarding estimated overland rail transit time: The rail route from Dubai to Haifa is expected to be 2,600-2,800 km. Average freight rail operational speeds in the GCC and Israel range from 50-80 km/h. While this translates in theory to a transit time of 1.4-2.3 days, actual transit time will be determined by multiple factors, including processing and inspections at the UAE-KSA, KSA-Jordan, and Jordan-Israel borders, and handling at terminals (switching between rail sections, refueling, crew changes etc.) This leads to an estimated transit time of 3-6 days, once the freight route is fully operational.[21]

Based on this data, the average transit time by the traditional sea route is 38 days, and by IMEC is 18.5 days. It therefore can be projected that IMEC will provide a 51% average reduction in transit times, even greater than previously estimated.

21 Trucknet Enterprise, an Israeli smart transportation company which announced in December 2023 the establishment of a UAE-Israel overland trucking route, stated that the transit time via such a route would be 4 days. See Gross, Judah Ari. "Israel Logistics Startup Forges Overland Trade Route to Bypass Houthi Red Sea Crisis." *The Times of Israel*, December 28, 2023. https://www.timesofisrael.com/israel-logistics-startup-forges-overland-trade-route-to-bypass-houthi-red-sea-crisis/

INTRA-MIDDLE EAST TRADE

IMEC will benefit not just India-Europe trade, but intra-regional trade within the Middle East as well. The MENA region has historically seen low levels of intra-regional trade (12%-18% of overall trade.)[22] However, the Abraham Accords are already impacting this trend, and IMEC may accelerate these changes further. For example, trade between Israel and the UAE has been growing steadily since the signing of the Abraham Accords, rising from $1.22 billion in 2021, to $2.56 billion in 2022, to $2.95 billion in 2023, to $3.24 billion in 2024. On April 1, 2023, the UAE-Israel Comprehensive Economic Partnership Agreement (CEPA) came into effect, providing a further boost to trade. When signing the UAE-Israel CEPA in May 2022, the UAE declared that it aimed to expand trade with Israel to more than $10 billion within five years.[23] IMEC can help Israel and the UAE, and all the countries of the Abraham Accords, achieve the goal of greatly-expanding mutually-beneficial trade.

Shipping times by sea from Jebel Ali to Israel (Haifa and Ashdod ports) currently range from 17-40 days, or more. As noted, overland freight rail is expected, once IMEC is fully operational, to take 3-6 days. The time savings will therefore be dramatic, ranging from 65%-93%.

TYPES OF GOODS LIKELY TO UTILIZE IMEC

In general, shipping by sea is less expensive than by land, even given port-related expenditures and taking into account typical Suez Canal tolls. Additionally, the capacity of mid-sized container vessels ranges from 5,000-15,000 TEUs (Twenty-foot Equivalent Units), with the largest vessels reaching 24,000 TEUs. In contrast, typical freight trains can carry 100-120 TEUs, with the largest double-stacked trains carrying 200-300 TEUs.

There are numerous factors which could impact the cost comparison between IMEC and sea routes, and make IMEC more attractive for a broad range of goods. These could include a rise in Suez Canal tolls, or disruptions in canal shipping due to security threats, natural or man-made disasters. Other factors could include increases in fuel prices, port congestion, or new carbon taxes.

Recent disruptions to the Suez Canal shipping route, through which the vast majority of EU-India trade passes, highlight the potential for IMEC as an alternative route. In March 2021, the Ever Given, a 20,000 TEU container ship, ran aground in the Suez Canal, blocking the waterway for six

22 Zaki, Chahir. “Can a Free Trade Area in Services Boost Trade within the Arab Region?” *Economic Research Forum*, July 9, 2024. https://theforum.erf.org.eg/2024/07/09/can-a-free-trade-area-in-services-boost-trade-within-the-arab-region/

23 “UAE and Israel Sign Comprehensive Economic Partnership Agreement to Advance Bilateral Trade beyond USD 10 Billion in 5 Years.” *Ministry of Economy – United Arab Emirates*, accessed April 3, 2025. https://www.moec.gov.ae/en/-/uae-and-israel-sign-comprehensive-economic-partnership-agreement-to-advance-bilateral-trade-beyond-usd-10-billion-in-5-years

days. This incident disrupted global trade, delaying over 400 ships and holding up an estimated $9.6 billion in goods per day.[24]

Following the outbreak of the Israel-Hamas war, the Houthis in Yemen began to attack commercial shipping in the Red Sea region. Between November 2023-January 2025 they carried out at least 113 attacks on commercial vessels, affecting over 60 nations.[25] These hostilities led major shipping companies, including Maersk and MSC, to suspend Red Sea transits, compelling vessels to reroute around Africa's Cape of Good Hope.[26] This detour added around 4,500 nautical miles and 12 days to the Asia-Europe route.[27] In September 2024, Maersk reported that traffic through the Suez Canal has decreased 66% since companies began diverting ships away from the Red Sea, noting that the "disruptions have led to service reconfigurations and volume shifts, straining infrastructure and resulting in port congestion, delays, and shortages in capacity and equipment."[28] While shipping levels recovered somewhat in 2025, many shipping companies and industry executives remain wary of overreliance on Suez.[29] Continued disruptions or threats to Suez Canal traffic will make IMEC a more attractive alternative.

Nevertheless, in order to assess the potential and expected benefits of IMEC, it is important to consider which types of goods might utilize IMEC even under a business-as-usual scenario. These would be primarily containerized goods, as freight trains are not generally used for dry bulk or break bulk shipping, or for energy products.

24 See BBC News. "Ever Given: Ship That Blocked Suez Canal Is Finally Released." *BBC*, July 7, 2021. https://www.bbc.com/news/business-56533250 and El-Ghobashy, Tamer, and Hazem Balousha. "Ever Given Released from Suez Canal after Compensation Agreed." *The Guardian*, July 7, 2021. https://www.theguardian.com/world/2021/jul/07/ever-given-released-from-suez-canal-after-compensation-agreed

25 U.S. Maritime Administration. "2025-001-Southern Red Sea, Bab el-Mandeb Strait and Gulf of Aden – Houthi Attacks on Commercial Vessels." *United States Department of Transportation*, January 3, 2025. https://www.maritime.dot.gov/msci/2025-001-southern-red-sea-bab-el-mandeb-strait-and-gulf-aden-houthi-attacks-commercial-vessels

26 "Explainer: How Are Red Sea Attacks Impacting Shipping via the Suez Canal?" *Reuters*, December 18, 2023. https://www.reuters.com/markets/commodities/how-are-red-sea-attacks-impacting-shipping-suez-canal-2023-12-18/

27 Estimate is for the Shanghai-Rotterdam route. Going around the Cape of Good Hope rather than through the Suez Canal increases total sailing distance by 29%, and total voyage time by 17%. India-Europe routes were similarly affected. See Fan, Linus, and Taoyuan Wei. "The Impact of Houthi Attacks on Global Shipping Routes: Evidence from Suez Canal Detours." *Journal of Shipping and Trade* 9, no. 1 (2024). https://link.springer.com/article/10.1057/s41278-024-00287-z

28 Foundation for Defense of Democracies. "Maersk Reports Houthi Attacks Cause 66 Percent Drop in Suez Canal Traffic." *FDD*, September 6, 2024. https://www.fdd.org/analysis/2024/09/06/maersk-reports-houthi-attacks-cause-66-percent-drop-in-suez-canal-traffic/

29 "Red Sea Trade Route Will Remain Too Risky Even after Gaza Ceasefire Deal." *Reuters*, January 17, 2025. https://www.reuters.com/world/middle-east/red-sea-trade-route-will-remain-too-risky-even-after-gaza-ceasefire-deal-2025-01-17/

The following are four categories of goods that could particularly benefit from IMEC:

1. High-Value Goods: Electronics, Pharmaceuticals, Luxury Items

High-value goods like semiconductors, smartphones, pharmaceuticals, and luxury items are typically air-freighted due to their high value-per-kilogram and urgency. Air freight costs $2.50–$7.00 per kg or more,[30] making it far more expensive than ocean shipping.[31] IMEC could provide a middle ground, reducing transit times by 40-50%, thereby decreasing inventory holding costs and accelerating market delivery, which is critical for capital-intensive supply chains. For example, electronics and luxury goods could shift from air to rail in cases where an extra 1.5-2 weeks in transit is tolerable, while non-urgent pharmaceuticals could leverage refrigerated rail cars, leaving only the most time-sensitive pharmaceuticals to air freight.

2. Time-Sensitive Goods: Perishables, Medical Supplies, Fast Fashion

Time-sensitive goods such as perishables, medical supplies, and fast fashion could also benefit from IMEC's shortened transit time, bridging the gap between air and sea. For example, Indian produce with a 2–3-week shelf life could reach Europe via rail, avoiding air freight's high costs (the reduced freight costs could also make the export of certain specialty perishables viable.) Fast-fashion brands could react faster to demand than the sea route allows.

3. General Consumer Goods: Textiles, Furniture, Packaged Goods

General consumer goods such as textiles, furniture and packaged goods rely primarily on ocean freight due to its low cost, despite the long transit times. However, there are cases where IMEC's 40%-50% reduction of transit times could provide valuable benefits. For example, IMEC could enable a fashion or furniture retailer to restock mid-season trends, or meet unexpectedly high demand. As noted, faster transit would cut inventory costs, reducing capital tied up and warehousing needs, thereby potentially offsetting rail's higher freight bill as compared to ship.

4. Industrial Goods: Machinery, Auto Parts

While dry bulk commodities will likely stay on cheap, slow sea routes via Suez, manufactured heavy goods like machinery and auto parts could shift to IMEC if time savings justify a cost increase. IMEC could significantly cut lead times for infrastructure or automotive projects. If indeed IMEC enabled faster and more reliable delivery than sea, this could be critical for industries in which it is crucial to avoid factory downtime or project delays.

30 Freightos. "Air Freight Rates: Current Prices & Cost Calculator." *Freightos*, accessed April 3, 2025. https://www.freightos.com/freight-resources/air-freight-rates-cost-prices/

31 As noted, according to the Chinese freight forwarder TJ China Freight, the cost of sending the equivalent of a 40-foot container from China to Europe is about $30,000 by air versus $6,000 by sea.

IMPACT ON GROWTH IN EU-INDIA TRADE

IMEC is expected to have far-reaching impacts on EU-India trade and economic relations. The EU is India's largest trading partner, accounting for €124 billion ($135 billion) worth of trade in goods in 2023, or 12.2% of total Indian trade, topping the U.S. (10.8%) and China (10.5%).[32] The EU is the second-largest destination for Indian exports (17.5% of the total) after the U.S. (17.6%). India is the EU's 9th largest trading partner, accounting for 2.2% of the EU's total trade in goods in 2023.

While final numbers for 2024 were not yet available as of the time of writing, the EU's imports from India had an annual average growth rate from 2019-2023 of 13.2%, while the EU's exports to India had an average annual growth rate of 6.1%, suggesting that the value of EU-India trade in 2024 was likely even higher than the previous year.[33] Indeed, India's exports to the EU have grown from $14.59 billion in 2004-2005 to $41.94 billion in 2013-2014 to $75.92 billion in 2023-2024.[34]

India-EU trade may become even more extensive and important in the near future, given the robust growth of India's exports. India's exports have seen a historic rise, reaching $778.21 billion in 2023-24. This marks a 67% increase from $466.22 billion in 2013-14.[35] The momentum continued into 2024-25, with cumulative exports during April-December 2024 estimated at $602.64 billion, a 6.03% increase over the same period in 2023.[36] India's merchandise exports have grown from $314 billion in 2013-14 to $437.10 billion in 2023-24 (a 39% increase), driven by a stronger manufacturing base and increased global demand. Key sectors like electronics, pharmaceuticals, engineering goods and textiles played a vital role in this surge. For example, India, ranked third globally in drug and pharmaceutical production by volume, saw its pharmaceutical exports rise from $15.07 billion in 2013-14 to $27.85 billion in 2023-24, an 85% increase. The export of engineering goods grew from $62.26 billion in 2013-14, to $109.32 billion in 2023-24, a 75% increase. Mobile phone exports reached $15.6 billion in 2023-24, up from $0.2 billion in 2014-15, a 7,700% increase. India's trade in containerized goods in particular is growing, with container volume expected to grow by 8% to 342 million tons in FY 2025.[37]

The overwhelming majority of EU-India commerce in particular is in goods shipped as containerized merchandise (e.g., chemicals, pharmaceuticals, textiles, machinery, engineering

32 European Commission. "India." *EU Trade – European Commission*, accessed April 3, 2025. https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/india_en. It should be noted that including non-EU members would increase the value of Europe-India trade even further. For example, the UK's trade with India hit approximately $22 billion in 2023. OEC. "India / United Kingdom Trade." *Observatory of Economic Complexity*, accessed April 3, 2025. https://oec.world/en/profile/bilateral-country/ind/partner/gbr.

33 European Commission. "India – Trade – European Commission Country Factsheet." *EU Trade – European Commission*, accessed April 3, 2025. https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_india_en.pdf

34 Press Information Bureau, Government of India. "India's Exports Reach Historic High of USD 778.21 Billion in 2023–24." *PIB*, accessed April 3, 2025. https://pib.gov.in/PressReleasePage.aspx?PRID=2098447

35 Ibid.

36 Ibid.

37 "Container Volume Likely to Grow 8% to 342 Million Tonnes in FY25: Report." *Business Standard*, May 16, 2024. https://www.business-standard.com/economy/news/container-volume-likely-to-grow-8-to-342-million-tonnes-in-fy25-report-124051601311_1.html

goods, electronics), as opposed to dry bulk commodities. An analysis of the composition of EU-India trade shows that approximately 90% is in goods generally shipped in containers.[38] Taking 2023 as a baseline, this means that approximately $121.5 billion worth of EU-India trade is containerized. As discussed above, while some types of goods would likely continue to be shipped by sea even after IMEC is fully-operationalized, many others could benefit significantly from utilizing the overland route.

Furthermore, in 2021, India and the EU announced the resumption of their work on a Free Trade Agreement, aiming to further grow their trade and economic partnership.[39] During EU Commission President von der Leyen's February 2025 meeting with Indian PM Modi, the two leaders committed to completing the Free Trade Agreement by the end of the year. Von der Leyen declared that such an agreement "would be the largest deal of this kind anywhere in the world."[40]

Given the trends described above, and the mutual commitment to advancing a EU-India Free Trade Agreement, it is likely that EU-India trade will continue to show robust growth, and that the percentage of containerized trade will remain steady or even grow.

To give a concrete example of how IMEC could impact EU-India trade, it pays to take a closer look at the case of Indian exports of chemicals, including pharmaceuticals and APIs, to Europe. EU-India trade in chemicals and pharmaceuticals reached almost $21 billion in 2023 (approximately $12.7 billion in EU imports from India, and $8.05 billion in EU exports to India.)[41] IMEC's faster and more reliable shipping routes, as compared to sea routes, could have significant benefits for the trade in non-urgent pharmaceuticals, such as generic medicines, vaccines, biologics, insulin and diabetes drugs, oncology treatments, hormones and steroids. It could also benefit trade in APIs, industrial and specialty chemicals. IMEC would allow critical drugs and chemicals to reach European markets faster, improving patient access, reducing instances of stock shortages, and helping meet demand surges. Expanding EU imports of pharmaceuticals and chemicals from India would also allow Europe to reduce its dependence on China in these fields.

IMPACT OF EU-INDIA TRADE GROWTH ON ALL IMEC PARTNER COUNTRIES

The growth of EU-India trade along the IMEC route will have significant benefits not only for India and Europe, but for all of the countries along the corridor. Employing a conservative estimate whereby it is assumed that 25% of EU-India trade and 25% of UAE-Israel trade will utilize IMEC once operational, and taking the latest trade data available as a baseline (2023 for EU-India, 2024 for UAE-Israel), it can be estimated that $34.5 billion worth of trade will travel along the IMEC route. Of course this number will be higher as EU-India and intra-Middle East trade grows, and/or if IMEC captures a higher percentage of current trade.

38 See "India – Trade – European Commission Country Factsheet." *EU Trade – European Commission.*

39 Ibid.

40 von der Leyen, Ursula. "Remarks by President von der Leyen Following Her Meeting with Prime Minister Modi in New Delhi." *European Commission*, February 8, 2025. https://ec.europa.eu/commission/presscorner/detail/en/SPEECH_25_641

41 "India – Trade – European Commission Country Factsheet." *EU Trade – European Commission.*

Data from UNCTAD indicates a global average value for containerized shipping of $54,000 per TEU.[42] Assuming that EU-India and UAE-Israel trade follow global averages, and following our earlier conservative assumptions, it can be estimated that a volume of 638,889 TEUs will traverse IMEC annually.

All of the countries along the IMEC route (UAE, KSA, Jordan and Israel) are likely to benefit from some or all of the following revenue sources and investments as a result of projected IMEC trade flows.

1. Direct Economic Revenues
    - Port Fees & Charges: Fees collected for handling cargo at ports, including docking, cargo storage, container handling, and customs clearance.
    - Rail & Logistics Charges: Rail freight, transit fees, tolls, customs, duties and associated charges.
    - Fuel Sales & Bunkering Services: Transiting ships and trains require fuel, generating revenue for refineries and fuel suppliers.
    - Warehousing & Storage Fees: Temporary storage of goods in warehouses provides rental income.
2. Job Creation and Employment
    - Port Operations: Increased shipping traffic creates jobs for dockworkers, customs officials, and logistics professionals.
    - Logistics & Rail Services: Rail operators, truck drivers, and freight handlers benefit from increased demand.
    - Value-Added Services: Employment in packaging, inspection, security, and maintenance.
3. Infrastructure Investment, Technological Development and Growth
    - Expansion of Ports, Railways, Roads, Border Crossings and Logistics Centers: Transshipment hubs will benefit from extensive infrastructure investments, improving domestic connectivity and spurring economic growth.
    - Technological Development and Growth: The need for highly-efficient transportation and logistics operations, and advanced security measures, will drive the development and implementation of advanced technologies in fields such as smart logistics, AI-driven supply chains, and transportation security.

These direct economic and investment benefits are over and above the geopolitical benefits that will result from the realization of IMEC.

42 Pallis, Athanasios A. "The Value of Containerized Trade." *PortEconomics*, accessed April 3, 2025. https://porteconomicsmanagement.org/pemp/contents/part1/maritime-shipping-and-international-trade/value-containerized-trade/

COUNTRY-SPECIFIC BENEFITS OF IMEC

In addition to the general benefits that can be expected to accrue to varying degrees to the countries along the IMEC route, additional specific benefits can be highlighted for partner countries.

UAE

The UAE seeks to strengthen its position as a global logistics center. Its embassy in Washington notes that:

> *The UAE has undergone a remarkable transformation, evolving from a logistics hub into a supply chain nerve center of global significance. Even during the challenging times of the COVID-19 pandemic, the UAE demonstrated its exceptional resilience by ensuring uninterrupted supply chains and averting any supply shortages.*[43]

The UAE sees India as a central partner in its economic development. India was the first country with which the UAE signed a Comprehensive Economic Partnership Agreement (CEPA), in February 2022. The UAE is India's third-largest trading partner for the year 2022-23 and second-largest export destination. India is the UAE's second largest trading partner, with bilateral trade rising to $85 billion in 2022-23. It is likely that the UAE and India will reach their goal of $100 billion in trade far ahead of their 2030 target date.

IMEC is expected to help deepen and expand the UAE's economic ties with India. During PM Modi's meeting with UAE President Mohammed Bin Zayed in Abu Dhabi in February 2024, the two leaders, "welcomed the creation of an intergovernmental framework between India and UAE on the India-Middle East-Europe Economic Corridor IMEEC, which reflected the lead taken by the UAE and India in furthering regional connectivity."[44]

Israel was the second country with which the UAE signed a CEPA, and the two countries set a goal of increasing their non-oil trade to $10 billion by 2030.[45] Despite regional instability and tensions following Hamas' October 7, 2023 terror attack, UAE-Israel trade grew by 10% in 2024. IMEC is expected to further accelerate the UAE-Israel trade relationship.

SAUDI ARABIA

In addition to the economic and investment benefits, IMEC can play a key role in advancing Saudi Arabia's National Transport and Logistics Strategy (NTLS). The NTLS is a comprehensive program launched in 2021 by Crown Prince bin Salman aimed at positioning Saudi Arabia as a global

43 Embassy of the United Arab Emirates – Washington, D.C. "Logistics." *UAE Embassy in Washington*, accessed April 3, 2025. https://www.uae-embassy.org/logistics

44 Ministry of Foreign Affairs and International Cooperation, United Arab Emirates. "India and UAE Strengthen Economic Ties through IMEC Framework Agreement." *MOFAIC*, February 15, 2024. https://www.mofa.gov.ae/en/mediahub/news/2024/2/15/15-2-2024-india2

45 Emirates News Agency (WAM). "UAE, Israel Sign Comprehensive Economic Partnership Agreement." *WAM*, May 31, 2022. https://www.wam.ae/en/article/hszrgs5w-uae-israel-comprehensive-economic-partnership

logistics hub connecting three continents (Asia, Europe, and Africa) in support of Saudi Vision 2030.[46]

IMEC can help Saudi Arabia achieve its goal of becoming one of the world's leading trade and transportation hubs. It should be recalled that in July 2022, when Saudi Arabia opened its airspace to all air carriers in order to allow for overflights by Israel's El Al, the explanation that the Kingdom provided was that "the decision comes within the framework of the country's keenness to fulfill its obligations under the Chicago Convention of 1944 and to complement the efforts aimed at consolidating the Kingdom's position as a global hub connecting three continents..."[47] Expanding cooperation with Israel within the framework of IMEC could be presented in a similar manner, even before full bilateral normalization between the two countries.

JORDAN

Jordan has long been seeking to build a national rail network. Following the completion of a feasibility study by BNP Paribas in 2010, the Jordanian government developed plans for an 897km standard-gauge national rail network with links to Saudi Arabia, Iraq, and Syria. However, due primarily to financial and bureaucratic difficulties, little progress has been made in constructing the network.[48] Significantly, one important step forward has been a $2.3 billion deal with the UAE's Etihad Rail to develop a 360 km railway linking Jordan's Aqaba port to the country's mining hubs at Al-Shidiya and Ghor Al-Safi, part of a $5.5 billion investment package agreed between the UAE and Jordan in November 2023. IMEC could provide renewed momentum towards developing the envisioned Jordan National Railway Project (assuming the National Railway was extended to the Jordan-Israel border), and could potentially help attract funding for such a project from the UAE, KSA or other IMEC partners.

Jordan could also likely benefit from IMEC through the establishment of major logistics and distribution centers along the IMEC route, which could serve Europe and the wider Middle East. Such centers would help draw foreign investment, and create numerous sources of income and employment opportunities.

ISRAEL

In addition to benefiting the Israeli economy and enhancing Europe-Israel trade, IMEC can play an important role in expanding regional cooperation and integration, both *vis a vis* countries with which Israel has diplomatic relations, and with those that it currently does not. For example, even without the establishment of full bilateral relations, Israel and Saudi Arabia can deepen their cooperation around IMEC with regards to technical standards, legal and regulatory arrangements, infrastructure and freight security. Enhanced economic cooperation with Jordan (which saw an

46 King Abdullah Petroleum Studies and Research Center (KAPSARC). "India-Middle East-Europe Economic Corridor: Bridging Economic and Digital Aspirations." *KAPSARC*, October 2023. https://www.kapsarc.org/research/publications/india-middle-east-europe-economic-corridor-bridging-economic-and-digital-aspirations

47 Saudi Gazette, "Saudi Arabia Opens Its Airspace for Overflying by All Air Carriers," *Saudi Gazette*, July 15, 2022, https://saudigazette.com.sa/article/622946

48 Schwandl, Robert. "Jordan: A Future Hub for the Middle East Network?" *International Railway Journal*, March 2023. https://www.railjournal.com/in_depth/jordan-a-future-hub-for-the-middle-east-network/

increase in trade with Israel of 7% in 2024, reaching $477.6 million) could lead to a warmer peace between the two countries. While Israel's ties with UAE and Bahrain are already growing year by year, IMEC may eventually serve to connect Israel to additional GCC countries and to Iraq.

Furthermore, Israel sees strengthening its strategic relationship with India as a top priority. The I2U2 (India, Israel, UAE, U.S.) framework can provide an important platform for advancing IMEC in a mutually-beneficial manner.

GERMANY

India is becoming an increasingly important partner for Germany across a broad range of areas and fields.[49] At the October 2024 India-Germany Inter-Governmental Consultations (IGC) in New Delhi, then German Chancellor Scholz and Indian Prime Minister Modi emphasized "the renewed momentum in bilateral engagement across government, industry, civil society and academia that has played an instrumental role in advancing and deepening the Strategic Partnership between India and Germany."[50]

Germany's exports to India have been steadily growing over the past decade, rising 55% from $11.9 billion in 2014 to $18.4 billion in 2024.[51] While Germany and India have long enjoyed positive relations, India's role as a key partner for Germany in the Indo-Pacific is increasing as Germany looks to avoid over-dependence on China.

IMEC can be a key avenue for strengthening the Germany-India partnership. At the October 2024 IGC, Scholz and Modi declared their intent to "coordinate efforts, both bilaterally and at the EU level, to take forward key connectivity initiatives including India-Middle East-Europe Economic Corridor." By cutting transport times and costs, IMEC could create numerous opportunities for German exporters and companies in India, including in fields such as machinery, mechanical appliances, electronic equipment, optical and medical items, plastics, chemicals and pharmaceuticals.

The construction of the complex and large-scale IMEC rail network could provide particularly-important opportunities for German infrastructure, transportation and logistics companies, given Germany's experience and expertise in these fields. Germany is by far the largest contributor to rail freight traffic and performance in the EU, transporting 125 billion tkm in 2023, which represents around one third of the EU total. (Poland and France followed with 60 and 29 billion tkm, respectively.)[52]

49 Christian Wagner, "India as a Partner of German Foreign Policy," SWP Research Paper 2024/RP 17, November 2024, https://www.swp-berlin.org/10.18449/2024RP17

50 Federal Foreign Office, "Joint Statement: 7th India-Germany Inter-Governmental Consultations (IGC)," October 25, 2024, https://www.auswaertiges-amt.de/en/newsroom/news/2681720-2681720

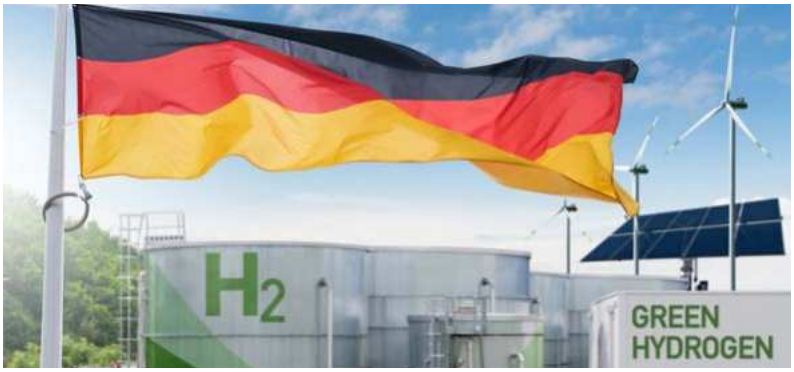
51 "Germany Exports to India," Trading Economics, https://tradingeconomics.com/germany/exports/india

52 Eurostat. "Railway Freight Transport Statistics." *European Commission Statistics Explained*, accessed April 3, 2025. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Railway_freight_transport_statistics. A tonne-kilometre, abbreviated as tkm, is a unit of measure of freight transport which represents the transport of one ton of goods by a given transport mode over a distance of one kilometer.

Germany is not only "the largest rail freight market with respect to originating and terminating traffic, but also the most important transit country in Europe."[53] It serves as a central rail hub for Europe, with "six major rail freight corridors routed through Germany towards all directions ranging from major ports at the North Sea and the Baltic Sea as well as key industrial areas in Continental Europe."[54] This experience and knowledge regarding serving as a central rail hub will be invaluable for countries along the IMEC route. Germany is also a global leader in rail technology, products and services.[55] German companies can therefore play a central role in designing, constructing and operationalizing the ambitious IMEC project.

IMEC also includes the development of regional clean hydrogen pipelines and electricity grids, aligning with the goals included in Germany's National Hydrogen Strategy and its hydrogen import strategy. As noted by then Federal Minister for Economic Affairs and Climate Action Robert Habeck, "A large proportion of Germany's hydrogen demand will have to be covered by imports from abroad in the medium to long term…Germany expects a large and stable domestic demand for hydrogen and its derivatives and is a reliable partner and target market for hydrogen products."[56] EU President von der Leyen, during the February 2025 visit of the EU College of Commissioners to India, declared, "the India-Middle East-Europe corridor is a historic opportunity… with an electricity cable and a clean hydrogen pipeline…it is a green and digital bridge across continents and civilizations."[57]

As discussed above, IMEC is also expected to strengthen Europe-Israel trade, and Israel's regional integration and alliances. IMEC-related economic growth and regional cooperation will make an important contribution to enhancing Israel's national security, another important goal of German foreign policy.



A German flag waves in front of a green hydrogen plant Credit: Scharfsinn, Shutterstock

53 European Rail Freight Association (ERFA). *The European Rail Freight Market: Competitive Analysis and Recommendations.* April 2022. https://www.erfarail.eu/uploads/The%20European%20Rail%20Freight%20Market%20-%20Competitive%20Analysis%20and%20Recommendations-1649762289.pdf

54 Ibid.

55 U.S. Department of Commerce, International Trade Administration. "Germany – Rail Industry." *Trade.gov*, accessed April 3, 2025. https://www.trade.gov/market-intelligence/germany-rail-industry

56 Federal Ministry for Economic Affairs and Climate Action, "Federal Cabinet Adopts Import Strategy for Hydrogen and Hydrogen Derivatives," July 24, 2024, https://www.bmwk.de/Redaktion/EN/Pressemitteilungen/2024/07/20240724-import-strategy-hydrogen.html

57 Ursula von der Leyen, "The Consequential Partnership: Reimagining and Realigning EU and India Ties for Today's World" (Speech, February 28, 2025), https://ec.europa.eu/commission/presscorner/detail/en/speech_25_641

IMEC: ESTIMATED COSTS

Estimating the total cost of IMEC, or even of the rail network component, is extremely challenging given numerous questions surrounding the nature and extent of the project. Question marks include the exact route of the rail network, whether and to what degree existing rail lines, border crossings and land hubs will need to be enhanced, whether there will need to be an expansion of capacity at sea ports, and what the insurance costs may be.

A number of articles put the expected cost of IMEC at $20 billion, but the basis for that claim, and what aspects of IMEC it encompasses, is unclear.[58] Another number which appears in various media pieces is that each section of the corridor could cost between $3 billion to $8 billion. Here too, the basis for these estimates is not clear.[59]

With regards to the costs of constructing the currently-unbuilt sections of the IMEC rail network, it may be helpful to examine the cost per kilometer of other regional railways, although the nature and conditions of these railways vary. The following are a few regional examples which may be relevant:

- Hafeet Rail Project (UAE-Oman): The 303 km railway connecting the UAE and Oman is projected to cost around $3 billion,[60] resulting in a cost of approximately $9.9 million per kilometer.
- Jezreel Valley Railway (Israel): The 60 km Jezreel Valley Railway connecting Haifa to Beit Shean cost approximately 4 billion NIS. Assuming an average USD-NIS exchange rate of 3.725 during the period of construction (2011-2016), the total cost reached $1.074 billion, or $17.9 million per kilometer.

58 See for example Apco Worldwide. "The G20's IMEC Initiative: An Alternative Trade Corridor to China's Belt and Road Initiative." *Apco Worldwide*, October 2023. https://apcoworldwide.com/blog/the-g20s-imec-initiative-an-alternative-trade-corridor-to-chinas-belt-and-road-initiative/ and Ahmed, Sadiq. "Is the India-Middle East-Europe Economic Corridor Going to Upstage China's BRI?" *The Business Standard*, September 17, 2023. https://www.tbsnews.net/features/panorama/india-middle-east-europe-economic-corridor-going-upstage-chinas-bri-701458

59 "Can India's IMEC Trade Corridor Vision Become a Reality?" *Finshots*, October 6, 2023. https://finshots.in/archive/can-indias-imec-trade-corridor-vision-become-a-reality/

60 "Contracts Awarded for Construction of Hafeet Rail Oman–UAE Railway." *Railway Gazette International*, April 25, 2024. https://www.railwaygazette.com/infrastructure/hafeet-rail-lets-contracts-to-build-oman-uae-railway/66399.article

- Saudi North-South Railway: The construction cost for the Saudi North-South Railway was projected to be $5.33 billion by the Chair of the Saudi Railway Company. The length of the railway is projected to be 2,750 km, giving a cost of $1.94 million per kilometer.[61]
- Etihad Railway (UAE): The 1,200 km Etihad railway was projected to cost $11 billion, suggesting a cost of $9.17 million per kilometer.[62]

In 2018, the Jordanian Ministry of Transport estimated the cost of building the Jordan National Railway Project at $4.23 billion, based on a 2010 feasibility study.[63]

IMEC will require not just the construction of railways but the enhancement of border crossings, land hubs and rail stations. Further study is required to estimate the extent of the necessary upgrades. One indication of the potential cost may be a May 2022 Israeli Government decision aimed at enhancing Israel's economics ties with Egypt, which included 18 million NIS ($5.36 million at 2022 exchange rates) for expanding the Egypt-Israel Nitzana Border Crossing's capacity and infrastructure, and 42.5 million NIS ($12.65 million) for enhancing security screening and processing.[64] The Abraham Accords Peace Institute examined the cost of adding a third bridge in order to expand capacity at the Israel-Jordan Jordan River/Sheikh Hussein Border Crossing, estimating the cost at about $18.9 million (70 million NIS). The Institute noted that in addition to adding a third bridge, it would also be necessary to increase the personnel and hours of operation at the crossing, which would entail additional costs.

The cost of both land and sea infrastructure along the IMEC route is also a function of the volume of goods that utilize the route. As noted earlier, this depends to a large extent on the ability of IMEC to deliver on its promised time and cost savings, and on the growth and composition of Europe-India and intra-Middle East trade.

61 Ibid.

62 "UAE's Rail Project Back on Track as Financing Sealed." *Gulf Business*, April 29, 2024. https://gulfbusiness.com/uaes-rail-project-back-track-financing-sealed/

63 "Jordan - Iraq Railway Line Construction Project," METenders, accessed April 3, 2025, https://metenders.com/project_cms/project/jordan-iraq-railway-line-construction-project

64 Government of Israel. "Israel Government Decision No. 1522: A program to promote and expand economic ties between the State of Israel and the Arab Republic of Egypt." *Gov.il*, May 29, 2022. https://www.gov.il/he/pages/dec1522_2022

IMEC: FUNDING SOURCES

Realizing the vision of IMEC will require funding from a diverse range of sources. These could include:

- Multilateral Development Banks (MDBs): World Bank, Asian Development Bank, European Investment Bank, European Bank for Reconstruction and Development, Islamic Development Bank
- National Governments and Investment Authorities, Sovereign Wealth Funds
- Export Credit Agencies: US EXIM Bank, EU3 Export Credit Agencies, Asian Export Credit Agencies
- Institutional Investors
- Private Sector Investment: International transportation and technology companies, Private Equity funds focused on infrastructure

It is likely that sections of IMEC will be developed via Public-Private Partnerships, bringing together different types of funding partners, potentially utilizing Build-Operate-Transfer models.

Two international frameworks which may serve as sources of funding are the G7 Partnership for Global Infrastructure and Investment, and the EU Global Gateway.

- Partnership for Global Infrastructure and Investment (PGII): Launched at the June 2022 G7 Leaders Summit, the PGII aims to provide a "values-driven, high-impact, and transparent infrastructure partnership to provide a better offer and meet the enormous infrastructure needs of emerging markets while supporting the United States' and its allies' economic and national security interests."[65] Within the context of PGII, the U.S. "aims to offer a credible alternative that can leverage public and private financing around priority areas of critical supply chains…connective transportation infrastructure such as railroads and ports…".[66] Largely seen as an alternative to China's BRI, the US announced in 2022 its aim to mobilize $200 billion for PGII between 2022-2027. Overall, PGII aims to mobilize $600 billion by 2027 in global infrastructure investments from G7 and like-minded countries, multilateral development banks, development finance institutions, sovereign wealth funds, and more. The future of the initiative, launched during the Biden Administration, remains to be seen following President Trump's return to the White House.

65 U.S. Department of State. "About Us – Office of the U.S. Special Coordinator for the Partnership for Global Infrastructure and Investment." *U.S. State Department*, accessed April 3, 2025. https://www.state.gov/about-us-office-of-the-u-s-special-coordinator-for-the-partnership-for-global-infrastructure-and-investment/

66 Ibid.

- Global Gateway: The EU's Global Gateway is a strategic initiative launched in December 2021 to enhance global infrastructure and connectivity. It aims to mobilize up to €300 billion in investments by 2027, sourced from a combination of EU institutions, member states, European financial institutions, and private sector contributions. The initiative aims to focus on transport, as well as digital connectivity, climate and energy, health and education and research.[67] While separate from PGII, Global Gateway will likely serve as the EU's primary contribution to the initiative.

It should be noted that at the India-Middle East-Europe Economic Corridor Summit held on the sidelines of the September 2023 G20 summit, Saudi Crown Prince bin Salman announced that KSA would commit $20 billion to PGII. The statement was generally interpreted to be a commitment to contributing such funds towards the advancement of IMEC.[68] However, it is not clear whether these funds will go primarily to IMEC-related projects within KSA, or whether they could go to projects in other countries as well (or to PGII projects unrelated to IMEC.)

Headquarters of European Investment Bank (EIB) in Luxembourg Credit: Olrat, Shutterstock

67 European Commission. "Global Gateway Overview." *EU International Partnerships*, accessed April 3, 2025. https://international-partnerships.ec.europa.eu/policies/global-gateway/global-gateway-overview_en

68 See the post on X by then-National Security Council Spokesperson Sean Savett from September 11, 2023, https://x.com/NSC_Spox46/status/1701225059237396925 and the article, "World at an Inflection Point, Says Biden." *Anadolu Agency*, September 11, 2023, https://www.aa.com.tr/en/asia-pacific/world-at-an-inflection--says-biden/. See how the Saudi Crown Prince's statement was interpreted for example here, Kimmage, Kevin. "Grand Designs: Linking Europe to India via the Gulf." *European Council on Foreign Relations (ECFR),* September 2023. https://ecfr.eu/article/grand-designs-linking-europe-to-india-via-the-gulf/

GEO-POLITICAL CHALLENGES

IMEC is often described as an alternative to China's Belt and Road Initiative. Such a description is accurate on the geopolitical level, insofar as key IMEC partners, including the U.S., France, Germany, and India, have conspicuously chosen not to join the BRI.[69] IMEC, like PGII and Global Gateway, represents an attempt by these countries to enhance their cooperation on global economic, logistics and transportation initiatives, provide alternatives to Chinese financing, and decrease supply chain dependence on Beijing. For example, as noted, by making EU-India trade more efficient, IMEC could reduce European dependence on China for goods such as pharmaceuticals, textiles, electronics, machinery, and solar panels. It must be recognized, however, that China's manufacturing capacity remains 10-11 times higher than that of India.

On the practical level, there are significant differences in the nature and extent of BRI and IMEC. BRI represents a broad umbrella of projects and MOUs with nearly 150 countries around the world. IMEC constitutes a specific corridor connecting India to Europe via the Middle East. IMEC may directly impact certain trade routes in which China plays an important role. For example, to the degree to which IMEC provides an alternative to the Suez Canal, this may impact China's interests, as Chinese state-owned company COSCO Shipping Ports holds a 20% stake in the Suez Canal Container Terminal at East Port Said (at the Canal's northern entrance) and is part of a joint venture to establish a new terminal at Ain Sokhna Port (at the Canal's southern entrance).[70]

However, the degree to which IMEC can be described as an initiative aimed at circumventing China is limited by the fact that Beijing has been highly-involved in much of the infrastructure that is projected to make up the backbone of IMEC. This includes the UAE's Etihad Rail, Saudi's Dammam-Riyadh rail line, negotiations with Jordan to build parts of the Jordan National Rail Project, Israel's Haifa Bay Port Terminal, and Greece's Piraeus Port. This fact may lead to the diversification of routes and ports utilized in the framework of IMEC (for example, leading to the inclusion of multiple European ports as end points), and may also serve to further spur Indian investment in IMEC-related infrastructure (like India's Adani Group's investment in the second port in Haifa). At the same time, China will remain at least somewhat involved in key aspects of the IMEC route, unless Chinese companies are actively removed and blocked. The likely incorporation of multiple Chinese-funded or constructed projects in IMEC may explain why China has not been vocally critical of the proposed corridor

IMEC is a more direct alternative and competitor to another overland trade route – the International North-South Transport Corridor (INSTC). The INSTC, launched in September 2000

69 The status of UAE, KSA and Israel with regards to the BRI is more ambiguous, as while these countries have not signed formal MOUs joining the Chinese initiative, they have each received substantial Chinese infrastructure investment aligned with BRI goals.

70 COSCO was granted a 30-year concession and 25% stake in Ain Sokhna's upcoming terminal. See Abul-Enein, Sameh. "China's Growing Maritime Presence in Egypt's Ports and Suez Canal." *Middle East Institute*, August 9, 2023. https://mei.edu/publications/chinas-growing-maritime-presence-egypts-ports-and-suez-canal

through an agreement between India, Iran and Russia, is envisioned as a 7,200 km multi-modal freight transportation network connecting India, Iran, Azerbaijan, Russia, Central Asia, and Northern Europe. Although IMEC and INSTC differ in terms of their primary end terminals in Europe, they are both intended to reduce transit time from India to Europe via a rail network. Due to development and funding challenges, due in part to Western sanctions and pressure on Iran and Russia, progress in operationalizing INSTC has been limited. From a Western geopolitical perspective, advancing IMEC as an alternative to INTSC is highly-important, due to the desire to avoid supply chain dependence on Iran and Russia, and to draw India closer to Western-aligned frameworks.

The country that has been most vocal in its opposition to IMEC is Turkiye. Turkiye sees itself as the traditional hub bridging between Europe and Asia, and objects to being bypassed. At the September 2023 G20 summit, Turkish President Erdogan declared, "We say that there is no corridor without Turkey. Turkey is an important production and trade base. The most convenient line for traffic from east to west has to pass through Turkey."[71] Turkiye's response includes promoting alternative projects like the Iraq Development Road, aimed at connecting the Gulf to Europe via Iraq and Turkey. Ongoing instability in Iraq however poses significant challenges to this route becoming a major trade corridor.

IMEC faces numerous additional challenges and obstacles beyond those arising from geopolitics, from infrastructure gaps to funding sources to the complexity of aligning standards and regulations across multiple countries with diverse economic and cultural environments. In addition, security remains a central concern. The participating countries will have to cooperate extensively in order to ensure both the physical and cyber security of the corridor, particularly as it transits from the GCC to Israel. They will need to work together in order to ensure that terrorist groups and radical regimes like Iran do not sabotage the route or use it to carry out terror attacks. It is likely that Israel, a world leader in cyber and critical infrastructure security, can cooperate closely with other IMEC partners to ensure the security and reliability of the corridor.

71 "Turkey's Erdogan Opposes India–Middle East Corridor." *Middle East Eye*, September 11, 2023. https://www.middleeasteye.net/news/turkey-erdogan-opposes-india-middle-east-corridor

RECOMMENDATIONS

The following are 15 recommendations to IMEC partner countries (IMEC MOU signatories plus countries along the IMEC route such as Jordan, Israel and Greece), in order to advance IMEC in an efficient and expedited manner.

1. IMEC Leaders Forum: Convene in 2025 an IMEC Leaders Forum with all partner countries, with participation at the Head of State or Head of Government level. The IMEC Leaders Forum should decide to focus, in the initial stage, on advancing the IMEC trade route in general, and the overland freight rail in particular. Each national leader should commit to taking the steps necessary to make IMEC a reality, particularly with regards to advancing internal governmental processes, and overcoming bureaucratic hurdles.

2. IMEC Secretariat and Working Groups: The IMEC Leaders Forum should establish a standing Secretariat with one high-level representative/champion from each country, as well as Working Groups in the following fields:

    - Infrastructure Planning and Construction
    - Customs, Regulations and Standards Integration
    - Financing
    - Security

3. Additional key IMEC partner countries, including Israel, Jordan and Greece, should be added as official signatories to the IMEC MOU and full members of the IMEC Leaders Forum, Secretariat and Working Groups.

4. Public-Private Summit: Within six months, the Secretariat and Working Groups should identify the concrete projects and steps necessary to make the IMEC trade route a reality (e.g., the construction of missing or inadequate rail infrastructure, expanded and enhanced border crossings, logistics hubs and ports, virtual trade portals etc.). In cooperation with international financial institutions such as the World Bank, they should conduct a comprehensive study of expected costs and potential economic models. Once a survey of the projects necessary to operationalize IMEC has been completed, the Secretariat should convene a public-private summit with the participation of a broad range of stakeholders, including governments, sovereign wealth funds, international development banks, investors and private sector companies, in order to advance these projects.

5. PGII: The United States, EU and G7 should declare IMEC a priority project within the framework of the Partnership for Global Infrastructure and Investment and the EU's Global Gateway. PGII and Global Gateway should be leveraged, together with international and regional financial institutions, to provide affordable financing and insurance for IMEC-related projects.

6. Project Tenders: Tenders and contracts for these projects should be awarded to actors from IMEC partner countries where possible.

7. China: IMEC partners should examine ways to reduce or mitigate Chinese influence along key nodes of the envisioned IMEC route, such as rail networks and ports.

8. Customs, Regulations and Standards Integration: Countries along the IMEC route should coordinate, with the assistance of the U.S. and EU, to harmonize standards, customs, duties, regulations, and tariffs, in order to ensure efficient transit and remove bottlenecks. In this context, the countries should implement a single-window clearance system for customs processing, and digitize trade documentation. The UAE-India MAITRI system can be an important model. India and the UAE should work with additional IMEC partner countries such as Israel and Jordan to lay the groundwork for their addition to MAITRI.

9. Legal framework: IMEC partner countries should adopt a unified legal framework for dispute resolution using international arbitration standards.

10. Best-in-Class: Maximize the efficiency and benefits of IMEC by implementing best-in-class technologies along all aspects of the route, including AI-powered predictive logistics and supply chain management, blockchain-based event logs, and multi-country e-commerce platforms.

11. Security: The IMEC Secretariat and partner countries should study and implement global best practices to guarantee top-level physical and cyber security protocols along the route, ensure the integrity and trackability of goods, and enable efficient processing at hubs and border crossings. (This will be particularly critical given the multiple national borders that will be crossed, and the on- and off-loading involved in multi-modal transportation.) These best practices could include the use of advanced scanners, containers with biometric or RFID access, IoT sensors to detect tampering, satellite tracking, advanced encryption and secure communication protocols.

12. IMEC Terminals: Multiple European and Indian ports should be designated as IMEC terminals and end points, in order to maintain flexibility and avoid dominance by any one actor.

13. SEZs: Special Economic Zones (SEZs) should be created along the corridor, with tax and investment incentives, in order to attract institutional and private investors and corporations.

14. Intra-regional Cooperation: GCC states and particularly Saudi Arabia should agree to allow containerized goods originating from, or destined for, Israel to transit through their territories. All the countries along the IMEC route will need to set up an ongoing mechanism for regular communication between trade and technical authorities. The possibility of eventually integrating additional regional countries into IMEC (e.g. Oman, Iraq), should be explored.

15. Digital and Energy Connectivity: The intra-regional and international cooperation developed to facilitate overland trade should be leveraged to advance IMEC-related energy and digital connectivity initiatives. Future studies will examine these elements of IMEC in greater detail.

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