

POLICY PAPERS



Fondazione CSF

IMEC IN THE SHADOW OF WAR WHY THE INDIA-MIDDLE EAST-EUROPE CORRIDOR STILL MATTERS

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The eruption of conflict across the Gulf—sparked by escalating confrontation between the United States, Israel, and Iran—has cast a long shadow over the ambitious vision of the *India-Middle East-Europe Economic Corridor (IMEC)*¹. At first glance, the project may appear increasingly unrealistic. Infrastructure corridors require predictability, capital flows, and political stability—conditions that war disrupts almost by definition. Yet dismissing IMEC as a geopolitical mirage would be premature. The strategic, economic, and technological logic underpinning the initiative has not disappeared. If anything, the instability suddenly engulfing West Asia reinforces the need for precisely the kind of diversified connectivity architecture that IMEC strives to foster.

Originally unveiled during the G20 summit in New Delhi in 2023, IMEC aims to link India to Europe through the Gulf via a network of maritime routes, rail infrastructure, energy pipelines, and digital cables. The corridor is intended to reduce transit times between Asia and Europe by roughly 40 percent while strengthening supply-chain resilience and promoting new forms of economic integration across the *Indo-Mediterranean space*² — in many respects a new construct but one based on geo-economics trends and geopolitical aspirations rather than wishful thinking. In strategic terms, the project is widely viewed as a much needed response to *China's Belt and Road Initiative*



(BRI), offering a different model of connectivity centered on greater transparency, higher accountability standards, cooperative multilateral governance, and diversified financing.

Conflict Comes to the Gulf

The current regional turmoil understandably raises doubts about the feasibility of such a project. Major infrastructure corridors depend on stable logistics chains and reliable security conditions—both of which have suddenly come under strain. The Gulf is unexpectedly facing massive economic disruption as energy infrastructure, shipping routes, airports, logistics platforms, and digital assets have become targets in the broader conflict environment of the ongoing military confrontation between US-Israel and Iran. Even if the hot phase of the conflict turned out to be short-lived, chronic instability could challenge the Gulf States' position as global transport, energy, finance, and data hubs. However, geopolitical turbulence does not necessarily invalidate the long-term rationale of IMEC—it actually makes it more compelling.

The fragility of existing trade routes has become increasingly evident. Disruptions in the Red Sea and around the Suez Canal in recent years already demonstrated the vulnerability of global shipping chokepoints, which carry a significant share of world trade. The emergence of alternative routes – combining sea, rail, and digital infrastructure – therefore remains an attractive proposition for governments and businesses seeking redundancy in global supply chains at the crossroads of Asia and Europe.

In this sense, IMEC should be understood less as a single transport corridor and more as an evolving connectivity architecture. Rather than a rigid linear route, it should aim to offer a flexible framework through which participating countries can coordinate infrastructure, logistics, and technological aspects of their economic engagement across a broad geographic area. By developing like an extended multi-nodal network rather than just a corridor, IMEC partners could increase their individual as well as collective ability to withstand asymmetric shocks and mitigate the impact of international and regional crises, thus furthering their resilience through diversified connectivity.

Strategic Competition and the China Factor

Another reason the logic of IMEC endures lies in the broader context of strategic competition with China. Launched in 2013, ten years before IMEC, Beijing's Belt and Road Initiative continues to expand its footprint across Eurasia, embedding Chinese capital and technological standards into critical infrastructure networks.



India's participation is particularly significant. New Delhi has long viewed China's connectivity push as a form of geopolitical encirclement, especially through projects such as the China-Pakistan Economic Corridor. Consequently, IMEC provides India with a mechanism to reshape Eurasian connectivity in ways that align with its own economic and security interests.

While dealing a blow to Gulf States and their economies, the current war is also complicating China's position. China remains deeply dependent on Middle Eastern energy imports, whose price has significantly increased since the US-Israel war against Iran has broken out. Prolonged instability affecting oil production or shipping routes could create significant economic vulnerabilities for Beijing. In that sense, disruptions in the Gulf energy ecosystem have the potential to weaken one of the structural advantages underpinning China's global manufacturing power. Beijing also stands to lose from a weakening of the Iranian regime, having cultivated close economic and strategic cooperation with Teheran in recent years (in 2021 the two nations signed a broad-ranging 25 year-cooperation agreement and Teheran is a key client of BRI projects).

The Iran Variable

A central obstacle to IMEC has long been the unresolved geopolitical rivalry between Iran and many of the corridor's participants. Tehran's ideological orientation and strategic posture in the region—including its network of proxies and its tense relations with Gulf monarchies and Israel—has complicated attempts to build integrated infrastructure across West Asia.

The outcome of the current confrontation could reshape this dynamic. Should the conflict ultimately produce a more cooperative—or at least less confrontational—Iran, one of the principal geopolitical impediments to IMEC could gradually recede. Even incremental shifts in Iran's regional posture in the direction of a trading nation focused on economic growth and prosperity for its people rather than religious and ideological proselytism, could open space for broader connectivity initiatives linking the Gulf, the Levant, and Europe.

Such an outcome remains highly speculative, and policymakers should avoid unwarranted optimism. The risk of a militarily weakened Iran becoming even more reluctant to open up economically and politically is a distinct one. And the prospect of a degraded Iran continuing to bring instability to the Arab Gulf through conventional or unconventional hostile acts as a way to avenge the current punishment is dreadful not only for the Arab monarchies but also for the broader region. Yet, the ongoing confrontation and the possible realignments that may result from it illustrate a broader point: large-scale connectivity projects often emerge not despite geopolitical upheavals but because of them.

Gulf States: From Vulnerability to Strategic Realignment

For the Gulf monarchies, the stakes are enormous. Countries such as Saudi Arabia and the United Arab Emirates have invested heavily in transforming their economies away from hydrocarbon dependence toward logistics, finance, technology, and tourism. IMEC aligns with these ambitions, reinforcing the Gulf's role as a critical link in transcontinental trade networks.

Prolonged warfare, however, threatens to derail these aspirations. Damage to energy infrastructure, attacks on digital assets, and disruptions to shipping routes could undermine the region's credibility as a reliable hub for global commerce. Undoubtedly, the curated image of Arab Gulf countries as an oasis of stability has been compromised. Investment confidence and the attraction of talent may remain a challenge for some time.

Yet the crisis may also accelerate strategic realignment. Faced with Iran's attacks and broader regional instability, several Gulf States appear to be drawing even closer to the United States and its partners. For sure, recently spiking intra-Gulf tensions between Saudi Arabia and the UAE have already subsided as these two countries and the rest of the GCC have coalesced around the priority of protecting their collective security. This dynamic may help reinforce the logic of cooperation with Israel—provided that the latter will avoid unnecessary further escalation when the Iranian regime will be sufficiently tamed.

While the road will have pitfalls and turns, this path could lead to further normalization between Arab countries and Israel, with IMEC becoming a catalyst for strategic and political – not only economic – engagement.

From Corridor to Network

One of the most important conceptual shifts required for IMEC's success is to move beyond the narrow notion of a *corridor*, as recently discussed during a panel³ on this topic at the recent 2026 edition of the Raisina Dialogue in New Delhi. The original metaphor suggests a single linear route connecting fixed points. In reality, the emerging architecture is better understood as a network of interconnected nodes spanning ports, railways, energy systems, and digital infrastructure and digital infrastructure across a partly flexible geography.

This networked approach offers several advantages. It allows participating countries to diversify transport routes, distribute risk across multiple pathways, and build redundancy into supply chains. It also enables incremental development: individual components—such as ports, data cables, or logistics hubs—can be implemented independently while gradually integrating into a broader system.

The concept resonates with the broader transformation of globalization itself. While the era of hyper-globalization may be fading, economies still depend on international connectivity.



The challenge is to build resilient globalization, characterized by diversified partnerships rather than singular dependencies.

Data, AI, and the Next Phase of Connectivity

Perhaps the most forward-looking dimension of IMEC lies in its digital component. From the outset, planners envisioned the corridor as a platform not only for physical trade but also for data flows, fiber-optic cables, and advanced energy networks.

Recent damage⁴ to data centers and digital infrastructure in the Gulf highlight how critical these assets have become. In the twenty-first century, data and artificial intelligence increasingly function as the *new oil*—the fundamental resource powering economic growth, technological innovation, and geopolitical influence. This reality underscores the need for a India–Gulf–Europe Technology Bridge⁵. Such a framework could facilitate pragmatic discussions on how to protect critical infrastructure in the digital domain, together with fostering a shared agenda on joint standards for data governance and joint priorities for AI development. By coordinating their technological

ecosystems, IMEC participants could collectively aim to position themselves as a third pole in the global technology landscape, complementing—but not subordinated to—the dominant ecosystems centered in the United States and China.

India is particularly well placed to drive this agenda. With a vast pool of engineers, a rapidly expanding digital economy, a sizable expat community in West Asia, and a tradition of multi-aligned diplomacy, New Delhi can act as a bridge between advanced Western economies and emerging markets across the Global South.

India's Pivotal Role

India's diplomatic positioning is one of IMEC's greatest strengths. New Delhi maintains strong relations simultaneously with Israel, the Gulf states, Europe, and the United States, while also preserving dialogue with a wide range of other actors including Iran. This network of relationships allows India to function as a convening power capable of sustaining the political momentum behind the corridor even in difficult geopolitical circumstances.

The recent Raisina Dialogue⁶ in New Delhi, organized by the Observer Research Foundation and the Indian Ministry of External Affairs, highlighted precisely these themes. Policymakers and analysts emphasized the importance of connectivity, technological cooperation, and resilient supply chains in an era of geopolitical fragmentation. Discussions underscored how IMEC could evolve beyond infrastructure into a broader framework across the Indo-Mediterranean region.



A Realistic but Hopeful Outlook

None of this should obscure the formidable obstacles that remain. Financing gaps, political tensions, regulatory differences, and security concerns continue to complicate the implementation of IMEC. Even if the ongoing military confrontation between US-Israel and Iran would stop tomorrow, uncertainty and a level of instability could continue for years. In any event, IMEC will require years of sustained political commitment and, above all, of investment, with the private sector having a crucial role to play in ensuring the project's ultimate success.

Yet the underlying drivers remain powerful: the need for diversified supply chains, the rise of India as a global economic actor, the Gulf States' quest for post-oil transformation, and Europe's search for resilient connectivity with the Indo-Pacific. Together, these trends create a durable strategic rationale for IMEC.

In the short term, war may make the corridor appear distant, even illusory. But in the longer run, the very disruptions now shaking the region could reinforce the imperative for new forms of economic integration. If policymakers approach IMEC not as a rigid mega-project but as a flexible network of partnerships — spanning

infra-structure, energy, and digital innovation—the initiative can adapt to geopolitical realities while preserving its core vision.

The road ahead will undoubtedly be complex. Yet the idea behind IMEC—linking three dynamic regions through shared infrastructure, technology, and economic opportunity—remains both strategically compelling and economically necessary. In a fractured world, building bridges of connectivity speaks for diplomatic and economic pragmatism.



Some useful Resources

¹ India–Middle East–Europe Economic Corridor (IMEC) website
<https://www.imec.international/about/>
(accessed 12/03/2026)

² Chilamkuri R. M. (2024), India and Europe: The Rise of the Indo-Mediterranean, available at
<https://www.isas.nus.edu.sg/papers/india-and-europe-the-rise-of-the-indo-mediterranean/> (accessed 12/03/2026)

³ See the Raisina Dialogue 2026 panel about IMEC and the notion of corridor at
<https://www.youtube.com/live/WsJJlQRO-9Y?si=0vNYww-0BG-7qgEs> (accessed 12/03/2026)

⁴ Nirmal J. (2026), “When clouds get hit by drones: As data centres become target of strikes, there is one more critical infrastructure to protect”, *The Economic Times*, March 8 2026 (accessed 12/03/2026)

⁵ See the website page about the project India–Gulf–Europe Technology Bridge, <https://www.fondazionecsf.it/en/gulf-europe-india-tech-bridge>

⁶ Raisina Dialogue 2026 available at <https://raisinadialogue.org/raisina-2026/> ; see the panel about IMEC and the notion of *corridor* at <https://www.youtube.com/live/WsJJlQRO-9Y?si=0vNYww-0BG-7qgEs> (accessed 12/03/2026)

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