

IMEC AFTER THE FIRE: FROM CONNECTIVITY CORRIDOR TO INDO-PACIFIC RESILIENCE ARCHITECTURE

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THE PROOF THE WORLD DID NOT WANT

1. In September 2023, at the G20 Summit in New Delhi, eight parties signed a Memorandum of Understanding for the India-Middle East-Europe Economic Corridor, a multimodal connectivity framework linking India to Europe through the Gulf.¹ The geopolitical logic was sound. The corridor offered an alternative to China's Belt and Road Initiative, a physical embodiment of normalisation across a historically fractious region, and a demonstration that the international community could build, not merely contest, the future of Eurasian connectivity.

2. On 28 February 2026, that geopolitical landscape was shattered. The military conflict with Iran triggered a chain of events that tested every foundational assumption behind IMEC while simultaneously demonstrating how far short of readiness the corridor remained. The effective closure of the Strait of Hormuz from 04 March 2026 produced what the International Energy Agency characterised as "the greatest global energy security challenge in history".² Brent crude surged past \$100 per barrel and continued to rise, with the IEA's April 2026 Oil Market Report noting North Sea Dated crude trading at approximately \$130 per barrel.³ QatarEnergy declared force majeure on all exports.⁴ Gulf oil and gas production is estimated to have collapsed by over 10 million barrels per day within a fortnight.⁵ The UNDP projected the conflict's economic impact on Arab nations at between \$120 and \$194 billion in GDP.⁶

¹ Asher Fredman and Joseph Rozen, "The India - Middle East - Europe Economic Corridor: A Catalyst for Regional Integration and Global Prosperity", KAS, June 2025. <https://www.misgavins.org/wp-content/uploads/2025/06/%D7%A1%D7%95%D7%A4%D7%99-%D7%97%D7%95%D7%91%D7%A8%D7%AA-IMEC-1-1-1.pdf>

Also see: Governments of India, UAE, Saudi Arabia, France, Italy, Germany, European Union, and United States, "Memorandum of Understanding on the Principles of an India-Middle East-Europe Economic Corridor," 9 September 2023. https://en.wikisource.org/wiki/Memorandum_of_Understanding_on_the_Principles_of_an_India-Middle_East-Europe_Economic_Corridor

² Katherine Golden, "The IEA's Fatih Birol: Oil Prices Will Soon Begin 'Reflecting the Severity' of the Energy Crisis," Atlantic Council, 14 April 2026. <https://www.atlanticcouncil.org/commentary/event-recap/the-ieas-fatih-birol-oil-prices-will-soon-begin-reflecting-the-severity-of-the-energy-crisis/>

³ Michael Bernard, "The Petroleum System Is Entering Its Volatile Decline Phase," 29 April 2026. <https://cleantechnica.com/2026/04/29/the-petroleum-system-is-entering-its-volatile-decline-phase/>

⁴ Jewellord Nem Singh, "A New Oil Crisis Stress-Tests the Global Energy Transition", Stimson; New Security Beat, 22 April 2026. <https://www.newsecuritybeat.org/2026/04/a-new-oil-crisis-stress-tests-the-global-energy-transition/>

⁵ IEA, "Oil Market Report - March 2026", May 2026. <https://www.iea.org/reports/oil-market-report-march-2026>

⁶ UNDP, "Escalation in the Middle East reverses more than a year of economic growth in the Arab States region, according to new UN Development Programme assessment", 31 March 2026. <https://www.undp.org/arab-states/press-releases/escalation-middle-east-reverses-more-year-economic-growth-arab-states-region-according-new-un-development-programme>

3. India neither initiated nor took sides in this conflict. India condemned all strikes on civilian infrastructure and called for immediate de-escalation through every available multilateral channel. The consequences for India were nevertheless severe and immediate. The specific human and economic costs are addressed in detail in Section VI of this paper.

4. What the conflict has demonstrated, with the empirical force of lived consequence, is that IMEC is not merely desirable but strategically necessary. The corridor was not built fast enough. The crisis has delivered the argument that no diplomatic paper or think-tank assessment could replicate. This paper examines that argument in full, tracing the necessity the crisis has shown, the fractures it exposed, the expanded vision India believes the corridor must now embody, and the framework required to build it without further delay.

WHAT IMEC WAS - THE ORIGINAL CONCEPTION

5. IMEC is persistently misread as a logistics project, a faster and cheaper route for cargo between Asia and Europe. This framing is not wrong, but it fundamentally undersells the corridor's architecture and misidentifies why it will or will not succeed. IMEC was not designed merely to move goods. It was designed to move the structural incentives of an entire region. The envisaged trajectory of the corridor is depicted in Figure 1.

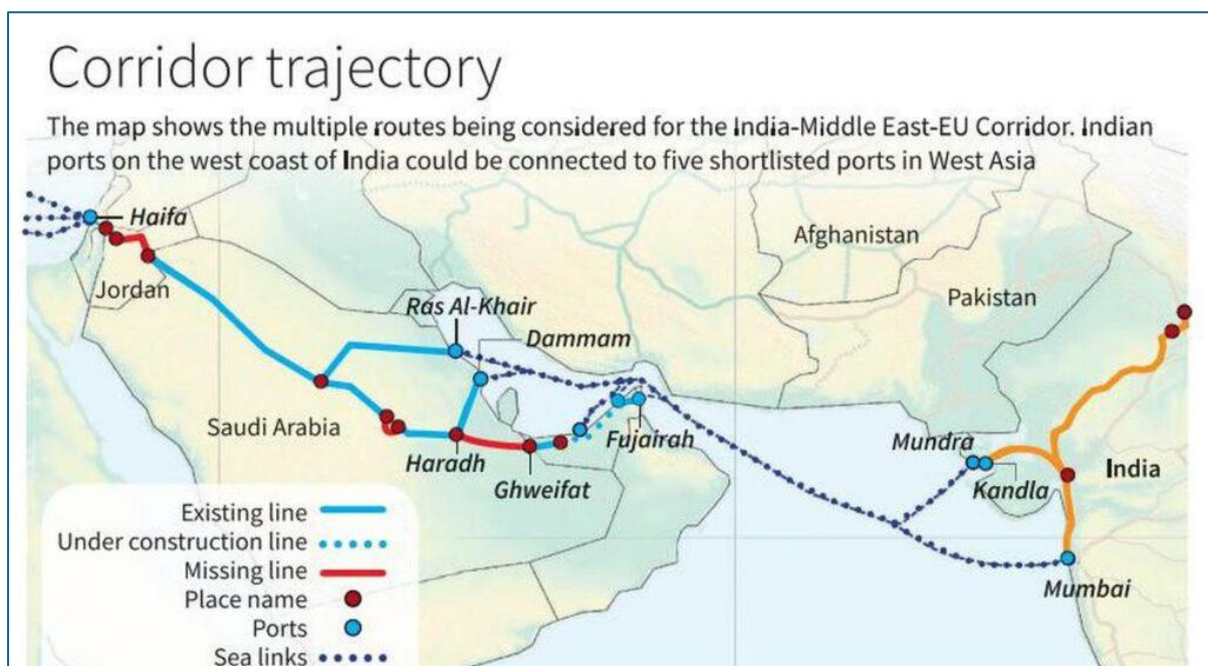


Figure 1: IMEC Trajectory⁷

The Geoeconomic Stabilisation Thesis

6. The corridor's architects understood, implicitly if not always explicitly, that trade routes do not stabilise regions in the way that genuine economic interdependence does. A trade route through a volatile region remains a hostage to that volatility. An economic architecture in which

⁷ IMEEC, "About the India-Middle East-Europe Economic Corridor (IMEC)". <https://www.imec.international/about/>

regional states have direct, material stakes in the corridor's functioning is qualitatively different. Disruption becomes structurally self-punishing, because the states most capable of causing it are also those most harmed by the consequences.

7. IMEC was designed to create that self-regulating architecture. The vision, distilled to its essential logic, is a virtuous cycle with four reinforcing links.

(a) Link 1: Manufacturing as the Engine. Indian manufacturing transformation generates goods with genuine, sustained demand in Middle Eastern and European markets. Without this foundation, the corridor risks becoming *infrastructure in search of cargo* rather than infrastructure serving a demonstrated commercial need.

(b) Link 2: Gulf States as Industrial Partners, Not Toll Collectors. A commercially viable corridor creates a Gulf stake as industrial partners and equity investors. Sovereign wealth funds with direct financial interest in Indian manufacturing zones have a material reason to protect the corridor's continuity that port operators collecting throughput fees do not. This financial stake converts political signalling into structural interest alignment.

(c) Link 3: Economic Integration as the Architecture of Stability. Gulf economic integration into the corridor internalises the cost of instability directly onto the balance sheets and the Saudi Vision 2030 timelines⁸ of the states most capable of causing or permitting disruption. When instability imposes costs on those who can cause it, it stops being someone else's problem and becomes their own.

(d) Link 4: Circumvention, Burden Reduction, and the Transition from Deterrence to Order. A functioning corridor physically routes cargo around the region's most weaponisable chokepoints, including the Strait of Hormuz, the Bab el-Mandeb, and the geopolitical friction zones of the eastern Mediterranean, reducing the exposure of global supply chains to geographic and geopolitical risks that no sustained military deterrence can permanently neutralise. For the United States and the European Union, this represents a structural pathway away from the role of permanent security guarantor, which is expensive, domestically contested, and increasingly unsustainable alongside Indo-Pacific strategic commitments, toward a durable geoeconomic order in which regional stability is incentivised from within rather than imposed from without.

8. Each link is necessary and none is independently sufficient. It is important to state clearly that the virtuous cycle does not assert that economic interdependence eliminates conflict. History offers no such guarantee. States normally compartmentalise economics and security. Prestige competition and ideological rivalry have coexisted with deep economic integration throughout the modern era. The more precise and defensible proposition is that economic integration raises the structural cost of disruption for those most capable of causing it, and that this cost-elevation changes strategic calculations at the margin over time. The Gulf rivalry of 2026 (described subsequently) is evidence not against this proposition, but of what the prolonged absence of sufficient integration produces.

What the IMEC Was Designed to Carry

9. The MOU signed at New Delhi envisioned three pillars - a transportation pillar integrating rail and maritime networks; an energy pillar carrying green hydrogen and electricity

⁸ Kingdom of Saudi Arabia, "Vision 2030 Overview". <https://www.vision2030.gov.sa/en/>

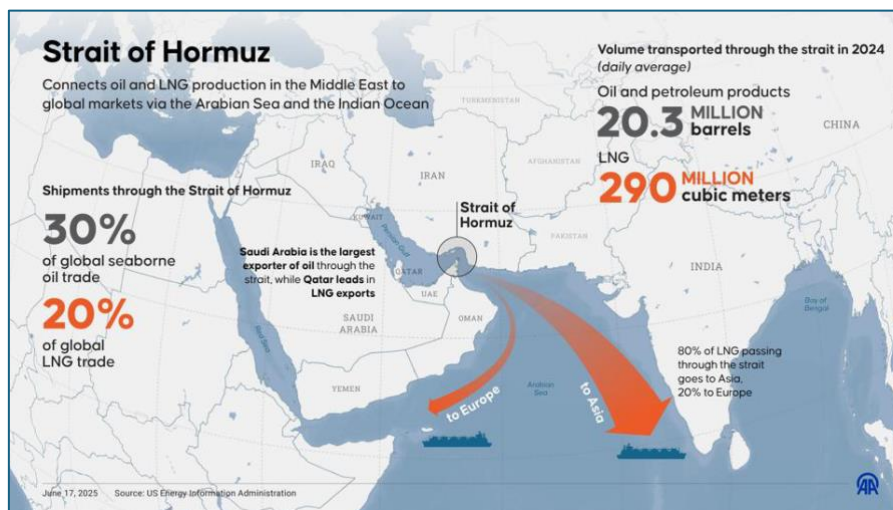
along pipeline and cable infrastructure; and a digital pillar providing new fibre-optic connectivity across continents.⁹ The IMEC was projected to reduce transit time between India and Europe by up to 40 percent and costs by approximately 30 percent, generating an estimated \$5.4 billion in annual savings on Asia-Europe trade, with capacity for up to 46 trains daily carrying between 1.5 and 3 million TEUs annually at full operation.¹⁰

10. In the medium term, the corridor was positioned by both the United States and the European Union as the infrastructure backbone of a broader China de-risking strategy.¹¹ Its economic logic rested on the emergence of India as an alternative manufacturing hub, supported by the Government of India's Production Linked Incentive (PLI) schemes, which commit approximately ₹1.91 lakh crore (US\$21 billion) across fourteen sectors.¹² The EU-India Free Trade Agreement, concluded on 27 January 2026 after more than twenty years of negotiations, supplied the complementary regulatory framework, creating the conditions for manufacturing investment, market access, and corridor-linked trade flows at scale.¹³

WHAT THE 2026 CONFLICT DEMONSTRATED: FOUR STRUCTURAL LESSONS

11. The 2026 conflict was not merely a geopolitical crisis. It was an involuntary controlled experiment, a live demonstration of precisely what IMEC was designed to prevent. Four structural lessons emerge from this conflict.

Lesson One: Maritime Chokepoint Vulnerability is Not Theoretical



⁹ Afaq Hussain and Nicholas Shafer, "The India-Middle East-Europe Economic Corridor: Connectivity in an Era of Geopolitical Uncertainty", Atlantic Council, 27 August 2025. <https://www.atlanticcouncil.org/in-depth-research-reports/report/the-india-middle-east-europe-economic-corridor-connectivity-in-an-era-of-geopolitical-uncertainty/>

¹⁰ Afaq Hussain and Nicholas Shafer, "The India-Middle East-Europe Economic Corridor: Connectivity in an Era of Geopolitical Uncertainty"

¹¹ Alberto Rizzi, "The Infinite Connection: How to Make the India-Middle East-Europe Economic Corridor Happen," European Council on Foreign Relations, 23 April 2024. <https://ecfr.eu/publication/the-infinite-connection-how-to-make-the-india-middle-east-europe-economic-corridor-happen/>

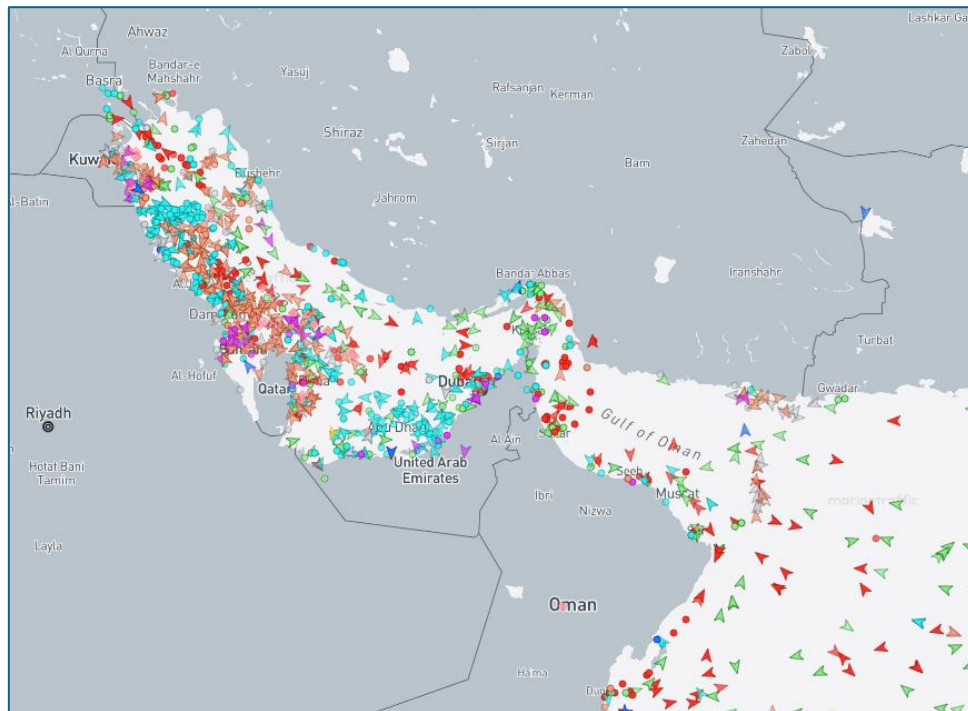
¹² PIB, "Production Linked Incentive Schemes." Ministry of Commerce and Industry, 20 February 2026. <https://www.imec.international/progress/>

¹³ Press Release, "EU and India conclude landmark Free Trade Agreement," European Commission, 27 January 2026. https://ec.europa.eu/commission/presscorner/detail/en/ip_26_184

Figure 2: Strait of Hormuz – An Energy Gateway¹⁴

12. Prior to February 2026, the risks of the Strait of Hormuz dependency were extensively documented but treated as manageable residual vulnerabilities. The conflict ended that comfortable relationship with theoretical risk in a matter of days.

13. Within seventy-two hours of the initial military exchanges, the Strait was effectively closed to most commercial traffic. A selective access regime was established in which vessels from certain nations operated under bilateral tolerance arrangements while those from US-aligned states were blocked, attacked, or subjected to a mine threat.¹⁵ Gulf oil production is estimated to have collapsed by over 10 million barrels per day by mid-March. The IEA released 400 million barrels from their emergency reserves, the sixth occasion for such action since its inception in 1974.¹⁶ A depiction of the marine traffic stranded in the Persian Gulf is shown in Figure 3.

Figure 3: Screenshot of Ships stranded in the Persian Gulf on 02 June 2026¹⁷

14. Intellectual honesty requires stating clearly that the IMEC, as currently designed, does not resolve the crude oil chokepoint problem. Crude oil moves in Very Large Crude Carriers¹⁸ at volumes of approximately 20 million barrels per day through the Strait under normal

¹⁴ Ahmed Eldin, "Iran's Weapon of Mass Economic Destruction: Hormuz", Out Loud with Ahmed Eldin, 28 February 2026. <https://ahmedeldin.substack.com/p/the-strait-of-hormuz-a-weapon-of>

¹⁵ Philip Loft, "Israel/US-Iran Conflict 2026: Reopening the Strait of Hormuz," House of Commons Library Research Briefing CBP-10636, 24 April 2026. <https://researchbriefings.files.parliament.uk/documents/CBP-10636/CBP-10636.pdf>

¹⁶ Press Release, "IEA Member countries to carry out largest ever oil stock release amid market disruptions from Middle East conflict", IEA, 11 March 2026. <https://www.iea.org/news/iea-member-countries-to-carry-out-largest-ever-oil-stock-release-amid-market-disruptions-from-middle-east-conflict>

¹⁷ "Screenshot of the Persian Gulf and adjoining areas", 02 June 2026. <https://www.marinetraffic.com/en/ais/home/centerx:61.3/centery:23.9/zoom:6>

¹⁸ Florence Tan and Emily Chow, "Three oil, LNG tankers exit Hormuz with transponders off", Reuters, 28 May 2026. <https://www.reuters.com/business/energy/three-oil-lng-tankers-exit-hormuz-with-transponders-off-2026-05-28/>

conditions,¹⁹ for which no land-bridge equivalent exists at present. The only partial bypass is pipeline infrastructure. The Saudi East-West Petroline has a maximum capacity of approximately seven million barrels per day.²⁰ The UAE's Abu Dhabi Crude Oil Pipeline, known as ADCOP, carries approximately 1.5 million barrels per day to Fujairah on the Gulf of Oman, bypassing the Strait entirely. ADCOP was activated during the 2026 conflict and represents the most immediately relevant bypass infrastructure.²¹ Yet even this partial measure proved insufficient. Fujairah's industrial zone was itself targeted in Iranian strikes on 03, 14 and 16 March 2026,²² demonstrating that a pipeline exit point in a contested theatre does not by itself constitute structural resilience. The IEA estimates that only 3.5 to 5.5 million barrels per day can be redirected through Saudi and Emirati pipelines outside Hormuz, leaving a net shortfall of approximately 14.5 to 16.5 million barrels per day against normal Strait throughput.²³ Both these pipelines are shown in Figure 4.

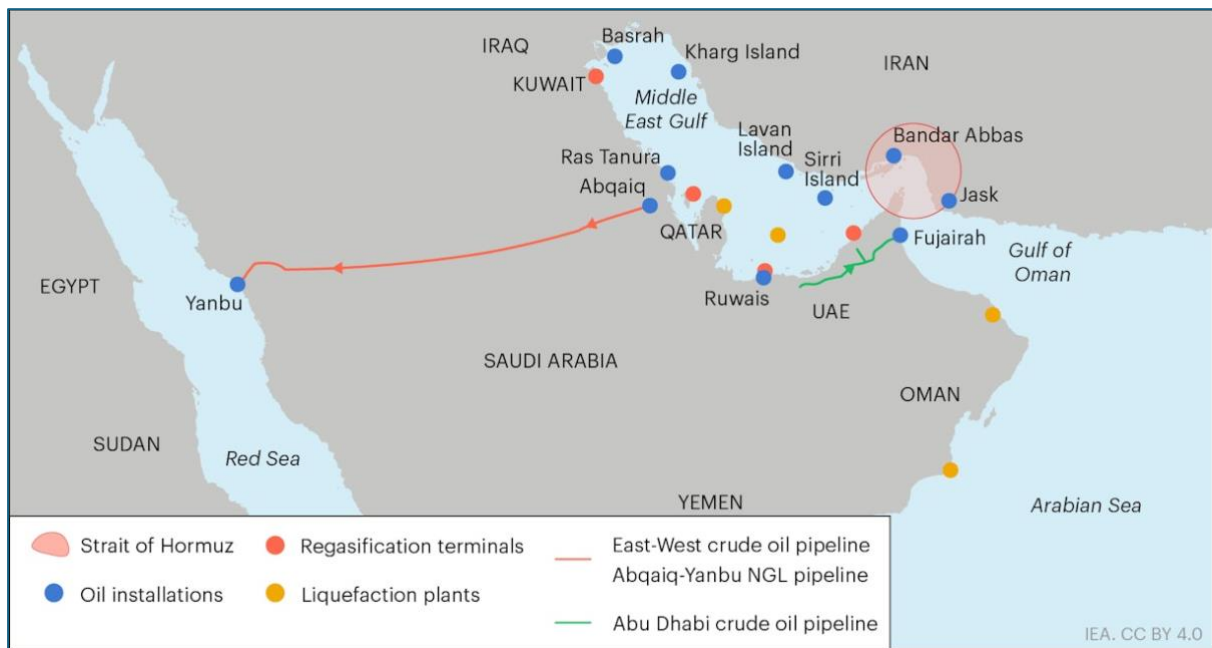


Figure 4: East-West Crude Oil Pipeline and ADCOP²⁴

15. The UAE's decision to exit OPEC on 01 May 2026 is directly relevant in this context. It reflects Abu Dhabi's determination to maximise production volumes before fossil fuel demand

¹⁹ IEA, "Strait of Hormuz - factsheet," February 2026. <https://www.iea.org/about/oil-security-and-emergency-response/strait-of-hormuz>

Also see: US Energy Information Administration, "EIA: Strait of Hormuz remains critical chokepoint amidst tensions", 17 June 2025. <https://safety4sea.com/eia-strait-of-hormuz-remains-critical-chokepoint-amidst-tensions/>

²⁰ Sam Meredith and Emma Graham, "The Two Oil Pipelines Helping Saudi Arabia and UAE Bypass the Strait of Hormuz," CNBC, 12 March 2026. <https://www.cnbc.com/2026/03/12/strait-of-hormuz-oil-pipelines-iran-war-saudi-arabia-uae.html>

²¹ Sam Meredith and Emma Graham, "The Two Oil Pipelines Helping Saudi Arabia and UAE Bypass the Strait of Hormuz".

²² Sam Meredith, "UAE's Fujairah oil trading hub targeted by a drone attack, causing large fire", CNBC, 16 March 2026. <https://www.cnbc.com/2026/03/16/uae-fujairah-oil-hub-drone-fire-iran-war-us-israel-middle-east.html>

Also see: Reuters, "Some oil loading operations suspended after fire in UAE's Fujairah, industry sources say", The Hindu, 14 March 2026. <https://www.thehindu.com/news/international/some-oil-loading-operations-suspended-after-fire-in-uaes-fujairah-industry-sources-say/article70742861.ece>

²³ David B Roberts, "What Alternatives Do Gulf States Have to the Strait of Hormuz?" The Conversation, May 2026. <https://theconversation.com/what-alternatives-do-gulf-states-have-to-the-strait-of-hormuz-281805>

²⁴ IEA, "Strait of Hormuz factsheet", February 2026. <https://www.iea.org/about/oil-security-and-emergency-response/strait-of-hormuz>

peaks,²⁵ accelerated by a conflict that exposed the absurdity of coordinating production policy within an organisation, one of whose members had made the UAE its principal target. The UAE has since accelerated construction of a new pipeline that will double its bypass capacity to approximately 3.6 million barrels per day by 2027.²⁶ That even the ADCOP exit point remained vulnerable during the conflict underscores that partial pipeline solutions require a fully integrated, multimodal, and geographically dispersed corridor architecture to achieve genuine resilience.

16. What IMEC does resolve, and resolves decisively, is the non-energy goods chokepoint vulnerability. The fertilisers, food, manufactured goods, and containerised cargo that constitute the majority of the developmental significance in both India's and the Gulf's import dependencies can be moved via a land bridge that bypasses Hormuz entirely. IMEC's energy pillar, comprising the green hydrogen pipeline and electricity interconnector, addresses the longer-term energy transition dimension, progressively reducing crude oil dependency as the green energy economy matures.

Lesson Two: Gulf States are Existentially Exposed when Routes Collapse

17. The GCC region imports between 80 and 90 percent of its food needs.²⁷ Over 70 percent of GCC foodstuffs are estimated to transit the Strait of Hormuz.²⁸ Bahrain, Kuwait, Qatar, Oman, and the UAE each record effectively complete Hormuz chokepoint exposure for their food imports.²⁹ Consumer prices spiked significantly across the region.³⁰ The Strait also handles over 30 percent of global urea exports by sea, leading to fertiliser supply chains worldwide being severely disrupted within days of the closure.³¹ Strikes on desalination plants across the Gulf transformed an energy crisis into a humanitarian emergency.³² Qatar derives approximately 99 percent of its drinking water from desalination, Kuwait approximately 90 percent, and Saudi Arabia approximately 70 percent.³³ Iranian strikes damaged Kuwaiti power

²⁵ Adi Imsirovic, "UAE's departure from OPEC tells a story about the limited future of oil production", *The Conversation*, 29 April 2026. <https://theconversation.com/uaes-departure-from-opec-tells-a-story-about-the-limited-future-of-oil-production-281755>

²⁶ Yousef Saba, "UAE's new oil pipeline push to double export capacity bypassing Hormuz", *Reuters*, 15 May 2026. <https://www.reuters.com/business/energy/uae-accelerate-oil-pipeline-project-help-bypass-hormuz-2026-05-15/>

²⁷ Christian Henderson, "Calories, Circulation, and Crisis: The Gulf States and the Regional Food System During Wartime," *Jadaliyya*, 16 March 2026. <https://www.jadaliyya.com/Details/47248>

²⁸ *Reuters*, "GCC States Face Reliance on Saudi Arabia for Food Imports," *Arab News*, 06 March 2026. <https://www.arabnews.com/node/2635430/middle-east>

²⁹ Goumbook, "When the route is the risk: GCC food import vulnerability through the Strait of Hormuz", 11 May 2026. <https://goumbook.com/when-the-route-is-the-risk-gcc-food-import-vulnerability-through-the-strait-of-hormuz/>

³⁰ Goumbook, "When the route is the risk: GCC food import vulnerability through the Strait of Hormuz".

³¹ Gokcay Balci and Ebru Surucu-Balci, "Strait of Hormuz: Gulf States' Food Security Is at Immediate Risk," *The Conversation*, 04 March 2026. <https://theconversation.com/strait-of-hormuz-gulf-states-food-security-is-at-immediate-risk-but-wider-shortages-could-push-up-consumer-prices-globally-277214>

³² Manal Shehabi, "War on Iran: The Dangers of Attacking Water Desalination Plants in the Gulf," *Arab Centre Washington DC*, 28 April 2026. <https://arabcenterdc.org/resource/war-on-iran-the-dangers-of-attacking-water-desalination-plants-in-the-gulf/>

³³ David Michel, "Could Iran Disrupt the Gulf Countries' Desalinated Water Supplies?", *CSIS*, 19 March 2026. <https://www.csis.org/analysis/could-iran-disrupt-gulf-countries-desalinated-water-supplies>

and desalination infrastructure on 30 March 2026,³⁴ while Jebel Ali's proximity to 43 desalination units was also a critical additional vulnerability.³⁵

18. The strategic implication for IMEC is straightforward. The corridor is not an obligation Gulf states discharge in favour of India or the West. *It is an existential infrastructure requirement for the Gulf's own food security, supply chain resilience, and long-term economic transformation.* IMEC is as much Gulf insurance as it is Indian opportunity, and that framing should anchor every serious conversation about Gulf investment in the corridor.

Lesson Three: India Pays the Price for Conflicts it Did Not Start

19. India imports over ninety percent of its crude oil needs, with approximately fifty-two percent of crude imports transiting the Strait of Hormuz under March 2026 conditions.³⁶ Ninety percent of India's LPG imports, which constitute the primary cooking fuel for approximately 329.4 million households including 103.3 million Pradhan Mantri Ujjwala Yojana beneficiaries,³⁷ pass through the same strait.³⁸ Approximately 85% percent of domestic urea production depends on imported regasified LNG from the Gulf.³⁹ India is the world's largest recipient of remittances, with \$135.46 billion received in financial year 2025, of which approximately \$51.4 billion originated from nine million Indians in Gulf states.⁴⁰ These are not marginal dependencies. They are the structural foundations of India's energy security, food security, and rural household income simultaneously.

20. When the Strait closed, all these dependencies became vulnerabilities simultaneously. LPG imports in March 2026 fell by approximately 46 percent to 1.19 million tonnes.⁴¹ The Ministry of Petroleum directed refineries to prioritise residential LPG supply over commercial customers,⁴² producing an acute crisis across India's restaurant sector. Black market prices for a

³⁴ Al Jazeera, "Iranian attack damages Kuwait power and desalination plant, kills worker", 30 March 2026. <https://www.aljazeera.com/news/2026/3/30/iranian-attack-damages-kuwait-power-and-desalination-plant-kills-worker>

³⁵ The Water Diplomat, "Freshwater desalination plants under attack in the Middle East?", 12 March 2026. <https://www.waterdiplomat.org/story/2026/03/freshwater-desalination-plants-under-attack-middle-east>

³⁶ Vrinda Sahai, "India's Oil Security Strategy: Structural Vulnerabilities and Strategic Choices", Carnegie India, 14 April 2026. <https://carnegieendowment.org/research/2026/04/indias-oil-security-strategy-structural-vulnerabilities-and-strategic-choices>

³⁷ Ministry of Petroleum and Natural Gas, "Pradhan Mantri Ujjwala Yojana," PIB, 30 April 2025. <https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=154355&ModuleId=3>

³⁸ News on AIR, "Statement of Suresh Gopi, Minister of State for Petroleum and Natural Gas", 30 March 2026. <https://www.newsonair.gov.in/availability-of-imported-lpg-in-country-has-been-impacted-due-to-ongoing-geopolitical-developments-in-west-asia-mos-for-petroleum-natural-gas-suresh-gopi>

Also see: Arya Roy Bardhan, "'One Narrow Strait, Millions of Cylinders: India's LPG Crisis,'" Observer Research Foundation, 13 March 2026. <https://www.orfonline.org/expert-speak/one-narrow-strait-millions-of-cylinders-india-s-lpg-crisis>

³⁹ Ritika Juneja, Sachchida Nand, Emil Thomas Johny, and Ashok Gulati, "De-Risking Fertiliser Supplies for India Amid Rising Geopolitical Risks", ICRIER Policy brief 66, March 2026. <https://icrier.org/pdf/De-risking-Fertiliser-Supplies-for-India-amid-Rising-Geopolitical-Risks.pdf>

⁴⁰ Reserve Bank of India, "RBI Monthly Bulletin", March 2025. https://www.rbi.org.in/Scripts/BS_ViewBulletin.aspx

Also see: Kotak Neo Team, "India's Gulf Connection Is Bigger Than Oil", kotakneo, 22 May 2026. <https://www.kotakneo.com/investing-guide/insights/india-gulf-remittances-vs-us-trade-surplus/>

⁴¹ Manish Vaid, "How Russia fits into India's plan to secure LPG supplies from Hormuz", RT India, 03 April 2026. <https://www.rt.com/india/637019-hormuz-turbulence-india-russia-lpg-imports/>

⁴² PIB, "Inter-Ministerial Briefing on Recent Developments in West Asia", Ministry of Petroleum and Natural Gas, 25 May 2026. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2265044®=3&lang=1>

14.2 kg LPG cylinder reportedly reached Rs 4,000 as against the official price of Rs 913.⁴³ Restaurants across the country had to revert to burning firewood.⁴⁴

21. Urea producers began cutting output within days of the Qatari LNG suspension. Gas availability to fertiliser plants fell to 70 per cent of normal volumes,⁴⁵ causing urea producers to shut down plants,⁴⁶ with some estimates indicating a fall in production by 800,000 tonnes in March 2026 alone.⁴⁷ The disruption occurred immediately prior to the Kharif sowing season,⁴⁸ creating risks for agricultural output that had no connection whatsoever to Indian agricultural policy or domestic production failures. Once again, an external chokepoint disruption translated directly into a domestic developmental challenge.

22. Approximately 984,000 Indians were repatriated from West Asia by mid-April.⁴⁹ For the families of the nine million Indians whose Gulf employment is the primary financial security net for tens of millions of rural households, this was not just an economic statistic, it was the collapse of livelihoods without a domestic substitute.

23. The macroeconomic consequences compounded these household-level shocks. In its April 2026 monetary policy review, the Reserve Bank of India projected real GDP growth at 6.9% for FY 2026-27 as against 7.6% achieved in the previous financial year. While remaining optimistic, the central bank explicitly cited the West Asia conflict (US-Iran tensions) and subsequent supply chain disruptions as key downside risks that weighed on the growth outlook.⁵⁰ The IMF's April 2026 World Economic Outlook⁵¹ and the OECD's April 2026 Economic

⁴³ Madhulika Pandey, "LPG Crisis in India: Gas Cylinders Sold at Rs. 4,000 in Black Market," Goodreturns, 21 April 2026. <https://www.goodreturns.in/news/lpg-crisis-in-india-gas-cylinders-sold-at-rs-4-000-in-black-market-amid-wedding-season-demand-1503543.html>

Also see: Zenaira Baksh and Mrinalini Dhyani, "The LPG Crisis: Queues, Chaos, And An Empty Cylinder", Outlook, 20 March 2026. <https://www.outlookindia.com/national/the-lpg-crisis-queues-chaos-and-an-empty-cylinder>

⁴⁴ Suchita Jha, "LPG Shortage Leads to Increased Demand for Clean-Cooking Solutions," Mongabay, 11 May 2026. <https://india.mongabay.com/2026/05/lpg-shortage-leads-to-increased-demand-for-newer-clean-cooking-solutions/>

⁴⁵ Fertilizer Daily, "India, Bangladesh urea producers halt operations as LNG disruptions ripple through fertilizer markets", 18 March 2026. <https://www.fertilizerdaily.com/20260527-strait-of-hormuz-now-runs-on-a-bilateral-permit-system-here-is-how-fertilizer-shipments-are-navigating-it/>

⁴⁶ Pratik Parija, Bloomberg, "Indian urea producers shut plants as Iran war cuts LNG flows", The Economic Times, 11 March 2026.

https://economictimes.indiatimes.com/industry/indl-goods/svs/chem/-fertilisers/indian-urea-producers-shut-plants-as-iran-war-cuts-lng-flows/articleshow/129439647.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

⁴⁷ Anoshito Banerjee, "The Hidden Cost Of The Hormuz Blockade: How India Is Losing 8,00,000 Tonnes Of Urea A Month", News 18, 24 March 2026. <https://www.news18.com/india/the-hidden-cost-of-the-hormuz-blockade-how-india-is-losing-800000-tonnes-of-urea-a-month-ws-1-9993902.html>

⁴⁸ Team Cropin, "Kharif crop- overcoming crop production challenges with precision agriculture", Cropin, 18 August 2021. <https://www.cropin.com/blogs/kharif-crop/>

⁴⁹ The Economic Times, "Massive repatriation effort: Nearly 1 million Indians return from West Asia amid regional turmoil", 16 April 2026. https://economictimes.indiatimes.com/nri/latest-updates/massive-repatriation-effort-nearly-1-million-indians-return-from-west-asia-amid-regional-turmoil/articleshow/130297806.cms?from=mdr&utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

⁵⁰ Mayur Shetty, "Economic Outlook Positive despite Headwinds: RBI", TOI, 29 May 2026.

<https://timesofindia.indiatimes.com/business/india-business/economic-outlook-positive-despite-headwinds-rbi/articleshow/131384221.cms>

⁵¹ IMF, "World Economic Outlook", April 2026. <https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026>

Outlook⁵² both identified India among the economies materially affected by conflict-driven disruption. The UNDP's April 2026 assessment projects that the West Asia military escalation could cause India to lose 0.03-0.12 years of Human Development Index (HDI) progress. The crisis threatens to push 2.5 million Indians into poverty, with the national poverty rate potentially rising to 24.2%.⁵³

The Missing Architecture: What Resilience would have Required

24. When the Strait closed, the region discovered that it possessed neither sufficient redundancy nor a viable alternative logistics architecture. The issue was not simply the absence of bypass capacity, but the absence of a system capable of sustaining critical economic flows during prolonged disruption. What the crisis exposed was therefore not merely a chokepoint vulnerability, but a wider resilience failure. Existing infrastructure proved unable to absorb the shock. The ADCOP pipeline's Fujairah exit point was itself targeted and disrupted. The Suez Canal route was simultaneously rendered hazardous as Houthi forces joined the war on 28 March 2026 and renewed attacks threatened Red Sea shipping,⁵⁴ forcing extensive rerouting around the Cape of Good Hope at significant additional cost in time and freight charges.

25. The infrastructure gap that IMEC was designed to fill was visible, quantified, and consequential in the spring of 2026. No redundancy existed. No resilience had been built at the required scale. A functioning IMEC corridor, with its multimodal land bridge, its prospective Oman resilience node, its Saudi rail spine, and its Hormuz-independent entry architecture, would have materially reduced the damage India absorbed. That is the counterfactual the crisis has established, and it is the argument for building the corridor now, that no prior strategic assessment could deliver as convincingly as reality already has.

THE GEOPOLITICAL FRACTURES: AN HONEST ACCOUNTING

26. The 2026 conflict has proved the necessity of IMEC. It, however, has not resolved the structural obstacles to its construction. A serious strategic assessment requires naming those obstacles directly, because partners who cannot speak candidly about the fractures in their shared enterprise cannot build a durable institutional architecture together. There are five fault lines that bear examination.

Fracture One: The Saudi-UAE Rupture at IMEC's Geographic Centre

27. The corridor's land bridge runs through the UAE and Saudi Arabia in sequence. For IMEC to function as an integrated system, these two states must cooperate on cross-border transit, customs harmonisation, regulatory alignment, and shared infrastructure investment. As

⁵² OECD, "OECD Economic Outlook, Interim Report March 2026", 26 March 2026. <https://www.oecd.org/economic-outlook/>

⁵³ UNDP, "Military Escalation in the Middle East: Human Development Impacts Across Asia and the Pacific", 14 April 2026. <https://www.undp.org/asia-pacific/publications/military-escalation-middle-east-human-development-impacts-across-asia-and-pacific>

⁵⁴ AP and TOI Staff, "Houthi Missile Attack on Israel Stokes Fears of Renewed Strikes on Red Sea Shipping," Times of Israel, 28 March 2026. <https://www.timesofisrael.com/houthi-missile-attack-on-israel-stokes-fears-of-renewed-strikes-on-red-sea-shipping/>

of May 2026, the two are in an open proxy conflict in Yemen, have exchanged military strikes on aligned forces, and are in essence implementing measures directly antithetical to corridor logic.⁵⁵

28. The rupture reflects fundamentally different conceptions of regional order. Saudi Arabia pursues a state-centric framework built around territorial integrity, formal security alliances, and centralised diplomatic leverage. The UAE pursues a networked model centred on influence through critical infrastructure nodes, diversified partnerships, and commercial ecosystem control. Saudi Arabia's Vision 2030 strategy and the UAE's own economic diversification agenda embody competing ambitions for regional economic primacy that play out simultaneously across Yemen, Sudan, Somalia, and the Gulf's commercial architecture.⁵⁶ A pictorial depiction of this rivalry is shown in Figure 5.

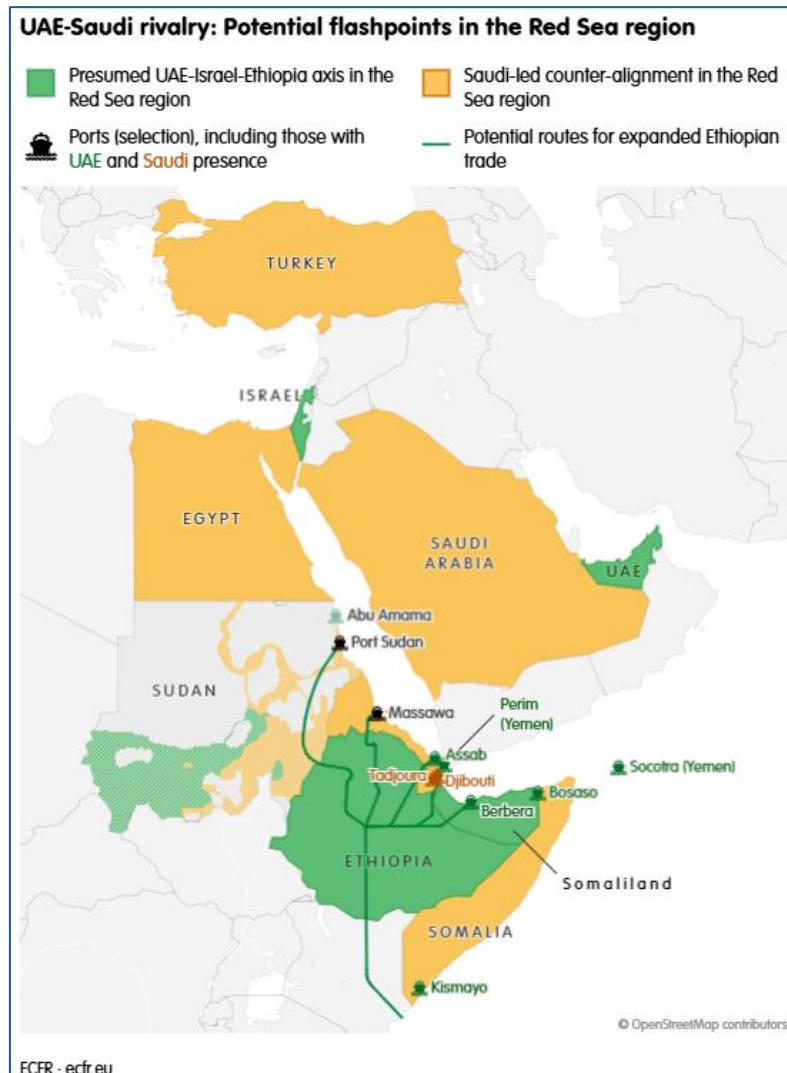


Figure 5: UAE–Saudi Rivalry in the Red Sea Region⁵⁷

⁵⁵ Capt KS Vikramaditya, “Fragmentation and Networked Security in West Asia - India, the UAE, and emerging Defence Alignments”, National Maritime Foundation, 15 February 2026. <https://maritimeindia.org/fragmentation-and-networked-security-in-west-asia-india-the-uae-and-emerging-defence-alignments/>

⁵⁶ Capt KS Vikramaditya, “Fragmentation and Networked Security in West Asia - India, the UAE, and emerging Defence Alignments”.

Also see: Jonathan Panikoff, "The Real Risks of the Saudi-UAE Feud," Foreign Affairs, 06 February 2026. <https://www.foreignaffairs.com/united-states/real-risks-saudi-uae-feud>

⁵⁷ Camille Lons, “Power struggle: What the Saudi-UAE rivalry means for the Red Sea — and Europe”, European Council on Foreign relations, 29 January 2026. <https://ecfr.eu/article/power-struggle-what-the-saudi-uae-rivalry-means-for-the-red-sea-and-europe/>

29. There is a structural pathway through this fracture, though it should not be overstated as a certainty. The more Gulf sovereign wealth, from both the Saudi Public Investment Fund (PIF) and Abu Dhabi's investment vehicles, is deployed into shared IMEC-linked industrial zones and Indian manufacturing clusters, the more both states acquire a common stake in the corridor's success. The proposition is that IMEC investment alignment progressively raises the structural cost of corridor disruption. It does not overtly attempt to eliminate the rivalry.

Fracture Two: The Northern Segment and Regional Diplomatic Conditions

30. The northern segment of IMEC, comprising the rail link from Jordan through Israel to the port of Haifa and onwards to the Mediterranean, requires a regional diplomatic environment that does not yet exist. Corridor planning that proceeds as if otherwise wastes political capital while delaying the construction of segments that can proceed immediately.⁵⁸ The appropriate strategy would be a formally phased approach that facilitates building what can be built now, and holding the northern segment as a designed and engineered component ready for activation when the regional diplomatic conditions mature.

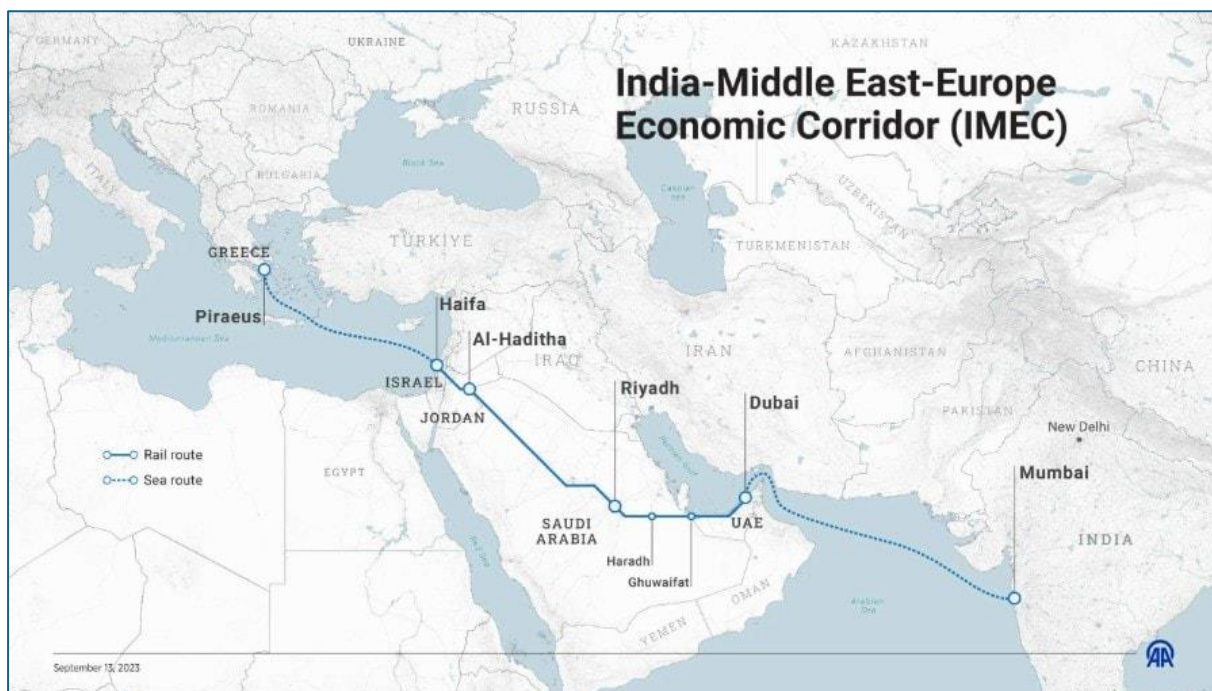


Figure 6: IMEC with the proposed Rail Link between Jordan and Israel⁵⁹

31. India maintains deep and longstanding ties with Israel, grounded in a genuine strategic and technological partnership developed over decades. India also maintains strong relationships across the Arab world, having consistently advocated for regional stability through dialogue. A corridor that integrates all regional stakeholders into a cooperative economic architecture, giving each a material stake in the stability of others, may itself be among the most constructive contributions to the diplomatic environment the northern segment's activation requires.

⁵⁸ Abdul Moiz Khan, "The India-Middle East-Europe Economic Corridor (IMEC): Too Little, Too Late?", Carnegie Endowment for International Peace, 12 December 2023. <https://carnegieendowment.org/sada/2023/12/the-india-middle-east-europe-economic-corridor-imec-too-little-too-late?lang=en>

⁵⁹ Aditi Bhaduri, "India Is Losing a Multibillion-Dollar 'Asset', Thanks To Trump", NDTV, 23 April 2026. <https://www.ndtv.com/opinion/the-multibillion-dollar-asset-india-is-losing-thanks-to-trump-and-now-a-rail-network-11398264>

Fracture Three: The Saudi-Pakistan Strategic Mutual Defence Agreement

32. On 17 September 2025, Saudi Arabia and Pakistan signed the Strategic Mutual Defence Agreement, the first mutual defence pact between an Arab Gulf state and a nuclear-armed power. The agreement contains a collective defence clause, and in view of Pakistan's nuclear status, may even be considered to be signalling a form of extended deterrence.⁶⁰

33. Saudi Arabia's decision reflects a rational sovereign calculation in a deteriorating security environment, and India's assessment of it needs to be calibrated accordingly. The complexity it introduces into India's strategic calculus is nonetheless real. Pakistan represents India's primary state-level security challenge. A formal mutual defence pact with nuclear dimensions between Pakistan and India's primary Gulf energy supplier, which is simultaneously an IMEC co-architect, requires careful management. India's position must be (and it ostensibly is) that its security concerns regarding cross-border terrorism warrant appropriate weight in Saudi strategic calculations, and that both the bilateral relationship with Saudi Arabia and the IMEC partnership are robust enough to accommodate this complexity provided both sides engage with it honestly.

Fracture Four: Turkey's Competing Connectivity Architecture

34. Turkey has pursued a systematic strategy of building a parallel connectivity and influence architecture across the Muslim-majority world that competes with IMEC's underlying logic at the regional level and thus impacts the evolving regional order. Turkey's engagements constitute a competing geoeconomic and defence-industrial architecture rather than an overtly adversarial coalition. Consequently, their significance for IMEC lies not in direct opposition, but in the gradual shaping of alternative connectivity corridors, strategic partnerships, and regional influence structures.⁶¹

35. Three vectors here carry direct IMEC relevance. Turkey's defence-industrial embedding in Southeast Asia, including frigate contracts with Indonesia, advanced drone systems for Malaysia, and ongoing fighter procurement discussions, positions Turkey as a defence partner for states significant to India's prospective Indo-Pacific gateway connectivity architecture.⁶² Turkey's established military presence at Mogadishu in Somalia, its largest overseas military installation places it astride the Indian Ocean shipping lanes connecting India's west coast to the Gulf of Aden, precisely the maritime geometry through which IMEC's eastern segment must operate. Most directly competitive with IMEC is Turkey's proposed Iraq Development Road, a land bridge from Basra through Iraq to Turkey and onwards to Europe,⁶³ which offers an alternative northern route that does not require the same regional diplomatic preconditions. Further, Turkey and Saudi Arabia have recently signed an agreement for a railway line connecting the two countries running through Syria and Jordan (Figure 8 refers), with an aim to

⁶⁰ Capt KS Vikramaditya, "Fragmentation and Networked Security in West Asia - India, the UAE, and emerging Defence Alignments".

⁶¹ Capt KS Vikramaditya, "Fragmentation and Networked Security in West Asia - India, the UAE, and emerging Defence Alignments".

⁶² Capt KS Vikramaditya, "Fragmentation and Networked Security in West Asia - India, the UAE, and emerging Defence Alignments".

⁶³ Ranj Alaidin, "Iraq's Development Road Project: A Path to Prosperity or Instability?", Middle East Council on Global Affairs, 31 October 2024. <https://mecouncil.org/publication/iraqs-development-road-project-a-path-to-prosperity-or-instability/>

extend the same to Oman in future towards operationalising an overland trade route bypassing the Strait of Hormuz.⁶⁴



Figure 7: Iraq Development Road⁶⁵



Figure 8: Proposed Turkey – Saudi Arabian Railway Line⁶⁶

⁶⁴ Michael Bachner, “Turkey, Saudi Arabia agree on major regional railway line bypassing Israel”, The Times of Israel, 10 June 2026. <https://www.timesofisrael.com/turkey-saudi-arabia-agree-on-major-regional-railway-line-bypassing-israel/>

⁶⁵ Harith Hasan, “Iraq’s Development Road: Geopolitics, Rentierism, and Border Connectivity”, Malcolm H. Kerr Carnegie Middle East Center, 11 March 2024. <https://carnegieendowment.org/research/2024/05/iraqs-development-road-geopolitics-rentierism-and-border-connectivity>

⁶⁶ The Caspian Post, “Reviving Hejaz Railway: Türkiye Wires Connectivity of Middle East”, 05 May 2026. <https://caspianpost.com/analytics/reviving-hejaz-railway-turkiye-wires-connectivity-of-middle-east>

36. India's response has been by way of building, what could be viewed as, a countervailing maritime security network through the January 2026 Strategic Defence Partnership with the UAE⁶⁷ and deepening maritime engagement with Greece, Cyprus, and Israel. These overlapping issue-based partnerships aim to collectively assure freedom of navigation and corridor continuity across the Arabian Sea, Red Sea, and the eastern Mediterranean.

Fracture Five: The India-United States Relationship - A Question of Strategic Alignment

37. The IMEC was conceived as a US-led initiative. The investment logic underpinning it requires a warm, active, and mutually reinforcing India-US relationship at every level. The honest assessment, as of May 2026, is that this relationship has been strained in ways that go beyond trade disputes and that bear directly on IMEC's long-term viability.

38. At the trade level, US tariffs on Indian goods reached 50 per cent in August 2025 before an interim trade framework in February 2026 reduced the effective rate to approximately 18 per cent,⁶⁸ including removal of surcharges linked to India's sovereign energy procurement decisions. Even with this reduction, the pattern of tariff pressure, compounded by persistent non-tariff barriers including the disproportionate rejection of Indian agricultural exports on phytosanitary grounds⁶⁹ and repeated regulatory inquiries targeting Indian corporate interests,⁷⁰ has created an environment of friction inconsistent with the treatment expected between strategic partners. *These frictions reduce the commercial incentive for US private capital to invest in precisely the industrial base whose output IMEC is designed to carry.*

39. These trade-level concerns are, however, secondary to a more fundamental question. The United States' re-engagement with Pakistan as a strategic partner became visible in the aftermath of Operation SINDOOR in May 2025. Since then, Pakistan's military leadership has been positioned as a valued interlocutor in US regional interests and diplomacy.⁷¹ The deeper structural issue is that the rehabilitation of Pakistan as a US strategic partner directly intersects

⁶⁷ Capt KS Vikramaditya, "Fragmentation and Networked Security in West Asia - India, the UAE, and emerging Defence Alignments".

Also see: Aditi Thakur and Saaz Lahiri, "Conceptualising a Mediterranean Arc", National maritime Foundation, 10 April 2026. <https://maritimeindia.org/conceptualising-a-mediterranean-arc-a-functional-framework-for-maritime-cooperation-between-india-greece-cyprus-and-israel/>

⁶⁸ Council on Foreign Relations, "U.S.-India Trade Truce Announced", 03 February 2026. <https://www.cfr.org/articles/u-s-india-trade-truce-announced>

⁶⁹ Shantanu Nandan Sharma, "A case of exporting mangoes: US junks 15 Indian shipments over lapses in documentation", The Economic Times, 18 May 2025. https://economictimes.indiatimes.com/news/economy/foreign-trade/a-case-of-exporting-mangoes-us-junks-15-indian-shipments-over-lapses-in-documentation/articleshow/121240972.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

⁷⁰ Arathi EA, "The Adani case explained: solar contracts, U.S. charges and settlement moves", The Hindu, 16 May 2026. <https://www.thehindu.com/business/the-adani-case-explained-solar-contracts-us-charges-and-settlement-moves/article70983398.ece>

Also see: ToI Desk, "US Launches trade enquiries on India, 14 other countries". ToI, 13 March 2026. <https://timesofindia.indiatimes.com/business/india-business/us-launches-trade-inquiries-on-india-14-other-countries/articleshow/129529240.cms>

⁷¹ Anand Singh, "How Pakistan's Failed Marshal Munir succeeded in wooing Trump", India Today, 21 August 2025. <https://www.indiatoday.in/world/story/how-field-marshal-asim-munir-pakistan-succeeded-wooing-donald-trump-cryptocurrency-oil-rare-earth-minerals-nobel-peace-prize-2773485-2025-08-21>

Also see: Trending Desk, ET Online, "Trump skips Pakistan PM Shehbaz Sharif, invites Army chief Asim Munir to join Abraham Accords, raises questions over who runs the country", The Economic Times, 25 May 2026. https://economictimes.indiatimes.com/news/new-updates/trump-skips-pakistan-pm-shehbaz-sharif-invites-army-chief-asim-munir-to-join-abraham-accords-raises-questions-over-who-runs-the-country/articleshow/131313583.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

with and adversely affects India's core security concerns and therefore carries unavoidable consequences for the strategic trust underpinning the India-US relationship. These concerns are further reinforced by a growing perception within parts of India's strategic community that certain aspects of US engagement in India's eastern and north-eastern periphery have security implications that are not always fully aligned with Indian interests.⁷²

40. This issue is being raised not to challenge the India-US relationship but to underscore what a genuine partnership requires. The relationship is too important, and the shared strategic interests underpinning it, particularly the management of China's rise and the preservation of a rules-based Indo-Pacific order, are too substantial to allow tactical divergences to cause lasting strategic damage. A strategic partnership whose full potential has not yet been realised cannot achieve that potential unless both sides are willing to engage honestly with what strains it. These issues must be addressed directly in the bilateral dialogue, because they will not resolve themselves.

BEYOND THE ORIGINAL VISION: WHAT IMEC CAN AND SHOULD BECOME

41. The case made thus far, that the 2026 conflict demonstrated the necessity of IMEC as originally conceived, is necessary but not sufficient for the strategic moment this paper addresses. The original conception was constrained by the diplomatic context of its birth: a G20 moment of considerable optimism, a US-led framing primarily as a BRI counter, and a relatively narrow cargo logic centred on Indian exports to European markets.⁷³ What the original conception did not fully articulate, and what the intervening geopolitical turbulence has made both possible and urgent to assert, is a considerably more ambitious architecture.

42. This section represents India's prospective contribution to the corridor's conceptual development. IMEC, properly understood and ambitiously designed, is not a bilateral trade route between India and Europe. It is the connective spine of a multi-directional, multi-regional geoeconomic architecture linking the European Atlantic economy, the Gulf's energy and capital economy, India's manufacturing and services economy, and the Indo-Pacific's consumer and production economy into a single integrated framework.⁷⁴ No other connectivity project currently under active development, not the BRI, not the Trans-Caspian International Transport Route (TITR),⁷⁵ not Turkey's proposed Iraq Development Road, covers this full arc.

43. The window to assert this vision is open now and will narrow as investment decisions crystallise and infrastructure is committed. Infrastructure defines the economic geography it

⁷² Utpal Kumar, "America's covert game: NIA arrests expose a shadow war in Bharat's North-East", FirstPost, 24 March 2026. <https://www.firstpost.com/opinion/america-covert-game-nia-arrests-northeast-india-myanmar-shadow-war-13992763.html>

Also see: TOI World Desk, "How USAID was used for regime change in Bangladesh: Former US State dept official Mike Benz reveals", TOI, 10 February 2025. <https://timesofindia.indiatimes.com/world/us/how-usaid-was-used-for-regime-change-in-bangladesh-former-us-state-dept-official-mike-benz-reveals/articleshow/118118878.cms>

⁷³ Afaq Hussain and Nicholas Shafer, "The India-Middle East-Europe Economic Corridor: Connectivity in an era of geopolitical uncertainty", Atlantic Council, 27 August 2025. <https://www.atlanticcouncil.org/in-depth-research-reports/report/the-india-middle-east-europe-economic-corridor-connectivity-in-an-era-of-geopolitical-uncertainty/>

⁷⁴ Nilanjan Ghosh, "IMEC and the Future of Global Connectivity", ORF, 08 January 2026. <https://www.orfonline.org/expert-speak/imec-and-the-future-of-global-connectivity>

⁷⁵ Friedrich Conradi, "The Much-Touted Middle Corridor Transport Route Could Prove a Dead End", Carnegie Politika, 29 April 2026. <https://carnegieendowment.org/russia-eurasia/politika/2026/04/middle-corridor-transport-prospect>

serves for decades. A corridor built to the 2023 specification will be significantly harder to retrofit to the expanded vision than one designed with that vision from the outset.

A Multi-Directional Architecture

44. The standard IMEC narrative runs in one direction: Indian goods travelling west to Gulf and European markets. This is accurate as far as it goes. What it obscures is the multi-directional flow logic that makes the corridor genuinely transformative rather than merely useful.

45. European capital goods, machinery, advanced industrial products, pharmaceuticals, and aerospace components represent substantial export flows seeking more efficient access to Gulf and Indian markets. A corridor that reduces their transit time and cost by 30 to 40 percent serves European commercial interests as powerfully as Indian ones. It also creates a European industrial constituency for the corridor's construction and maintenance that is currently underutilised in IMEC advocacy.

46. Gulf petrochemical and feedstock producers represent a further dimension that the original conception underweighted. Saudi Arabia, the UAE, and Qatar produce petrochemicals, aluminium, fertiliser feedstocks, and downstream industrial outputs at world scale.⁷⁶ These are natural inputs for India's pharmaceutical, chemical, textile, and agricultural industries. Gulf industrial production flowing eastward as inputs to Indian manufacturing, and Indian finished manufactured goods flowing westward as outputs, creates a two-way industrial complementarity that transforms the corridor from a transit arrangement into a genuine production partnership. Both sides are producers. Both sides are consumers. Both sides carry a direct stake in the corridor's efficiency and continuity.

47. The digital pillar of IMEC, encompassing fibre-optic cables, data infrastructure, and AI-enabled logistics platforms, adds a services dimension that warrants acknowledgment. India's comparative advantage in IT services, software, and digital infrastructure management positions it as a natural provider of the corridor's digital backbone. This adds a strand to the production partnership that reinforces economic integration independent of physical cargo volumes.

India as the Indo-Pacific Gateway Node: Vision and Infrastructure in Progress

48. The most significant expansion of the original IMEC vision lies in reconceiving India's role. India is not the corridor's eastern terminus. It is the corridor's Indo-Pacific gateway. This reconceptualisation goes to the heart of what the corridor does and why it matters at civilisational scale. Crucially, it is a reconceptualisation that India is already beginning to build into physical infrastructure.

49. India's position at the apex of the Indian Ocean places its western and southern ports at the natural convergence point of the Gulf-Europe maritime axis and the South-Southeast Asia maritime arc. ASEAN's combined GDP of approximately \$3.9 trillion,⁷⁷ and its position as one

⁷⁶ Gulf Research Centre, "GCC Industrial Sector Outlook".

<https://www.grc.net/documents/660d3493edc9aGCCIndustrialSectorOutlook2.pdf>

Also see: Nadim Kawach, "No investment, more efficiency, say GCC aluminium smelters", Arabian Gulf Business Insight, 29 January 2025. <https://www.agbi.com/manufacturing/2025/01/no-investment-more-efficiency-say-gcc-aluminium-smelters/>

⁷⁷ Office of the United States Trade Representative, "ASEAN". <https://ustr.gov/countries-regions/southeast-asia-pacific/association-southeast-asian-nations-asean>

of the world's fastest-growing consumer and manufacturing regions, represents a market of the first order for European exports moving east and Gulf energy products moving south. IMEC, in this conception, is not a corridor connecting two endpoints. It is the western segment of a Eurasian-Indo-Pacific connectivity arc, with India as the pivotal node.

50. India is not merely proposing this gateway function. India is building it. The Vizhinjam International Seaport in Kerala, formally inaugurated by Prime Minister Modi on 02 May 2025 with commercial operations having commenced in December 2024,⁷⁸ represents the most strategically significant port development in India's modern history. Located approximately ten nautical miles from the primary international east-west shipping lane between Europe and Southeast Asia, the port has a natural draft depth of about twenty metres and can handle Ultra Large Container Vessels without extensive dredging.⁷⁹ Vizhinjam is the only transshipment port on the Indian subcontinent positioned directly on the main east-west shipping lane that does not require vessels to deviate from their primary route. Currently approximately 75 percent of India's transshipment cargo is handled at Colombo, Singapore, and Port Klang, foreign ports capturing value that Indian infrastructure should capture.⁸⁰ By January 2026, Vizhinjam had handled approximately 1.57 million TEUs and ranked 83rd globally in container handling.⁸¹ The port crossed two million TEU in approximately 18 months of operation.⁸²

51. At India's eastern maritime frontier, the International Container Transshipment Port at Galathea Bay on Great Nicobar Island represents the second pillar of the gateway architecture. Officially notified as a major port that would be developed in four phases at an estimated cost of Rs. 43,796 crore (\$5 billion), the port is positioned at the junction of the Bay of Bengal and the Malacca Strait approaches. Phase 1, planned for commissioning in 2028, will have a handling capacity of approximately four million TEUs. This is planned to be scaled to about 16 million TEUs annually by 2058.⁸³

52. The domestic connective tissue linking these gateway ports to IMEC's western entry nodes is provided by India's Sagarmala programme (Figure 9 refers), a national port-led development initiative encompassing coastal shipping enhancement, multimodal logistics parks,

Also see: The Globalist, "Southeast Asia as a Powerhouse", 17 April 2026.

<https://www.theglobalist.com/southeast-asia-as-a-powerhouse/>

⁷⁸ Express News Service, "PM Modi to commission Vizhinjam seaport on May 2", The New Indian Express, 18 April 2025. <https://www.newindianexpress.com/states/kerala/2025/Apr/18/pm-modi-to-commission-vizhinjam-seaport-on-may-2>

⁷⁹ ANI, "Vizhinjam International Seaport crosses 2 million TEUs in 18 months, fastest for any Indian Port", 28 May 2026. <https://www.aninews.in/news/national/general-news/vizhinjam-international-seaport-crosses-2-million-teus-in-18-months-fastest-for-any-indian-port20260528221435/>

⁸⁰ PIB, "Transshipment Hub", Ministry of Ports, Shipping and Waterways, 19 July 2022.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=1842740®=3&lang=2>

Also see: Sudha Ramachandran, "Will India's Vizhinjam Port Make Waves in Global Transshipment Business?", The Diplomat, 31 October 2023. <https://thediplomat.com/2023/10/will-indias-vizhinjam-port-make-waves-in-global-transshipment-business/>

⁸¹ "India Launches Its First Deepwater Container Transshipment Port," Marine Insight, May 2025; "Vizhinjam Port Ranks 83rd Globally," News on AIR, 5 February 2026. <https://www.marineinsight.com/ports/india-launches-its-first-deepwater-container-transshipment-port/>

⁸² Kalpana Pandey, "Vizhinjam Port Achieves 2 million TEU Milestone in Record Time", Maritime Gateway, 29 May 2026. <https://www.maritimegateway.com/vizhinjam-port-achieves-2-million-teu-milestone-in-record-time/>

Also see: PTI, "Vizhinjam Port crosses two million TEUs in 18 months", ET Infra.com, 28 May 2026. <https://infra.economictimes.indiatimes.com/news/ports-shipping/vizhinjam-port-achieves-2-million-teus-fastest-in-india/131374024>

⁸³ "EOI: For Development, Operation and Maintenance of Phase-I of International Container Transshipment Port at Galathea Bay in The Great Nicobar Island Under UT Of Andaman and Nicobar Islands, India", Syama Prasad Mookerjee Port, Kolkata, January 2023. <https://shipmin.gov.in/sites/default/files/RevisedEOI-atGalathea.pdf>

and port connectivity infrastructure.⁸⁴ A container arriving at Mundra or JNPT from Europe via IMEC can reach Vizhinjam through India's coastal shipping network and from there connect to Southeast Asian markets without transiting any foreign port. This is the gateway function in operational terms, and the infrastructure supporting it is under active development.

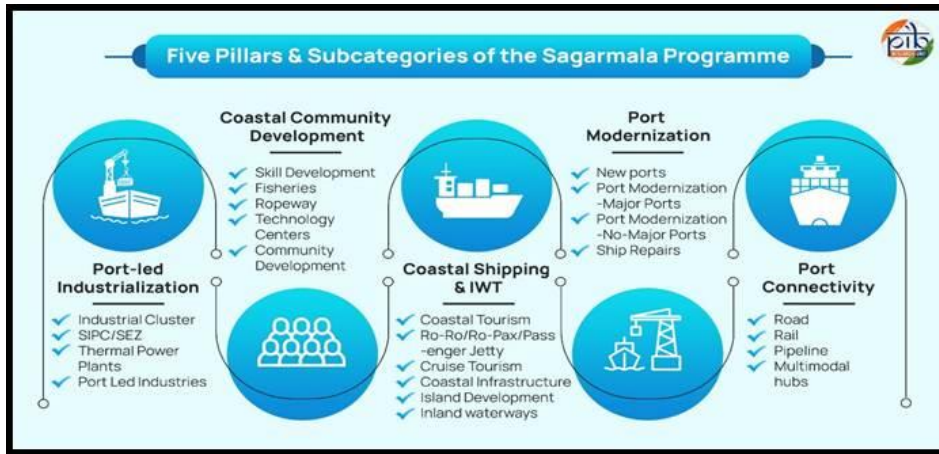


Figure 9: Sagarmala Programme⁸⁵

53. The expanded conceptualisation of the IMEC with India as the Indo-Pacific gateway node is depicted in Figure 10.

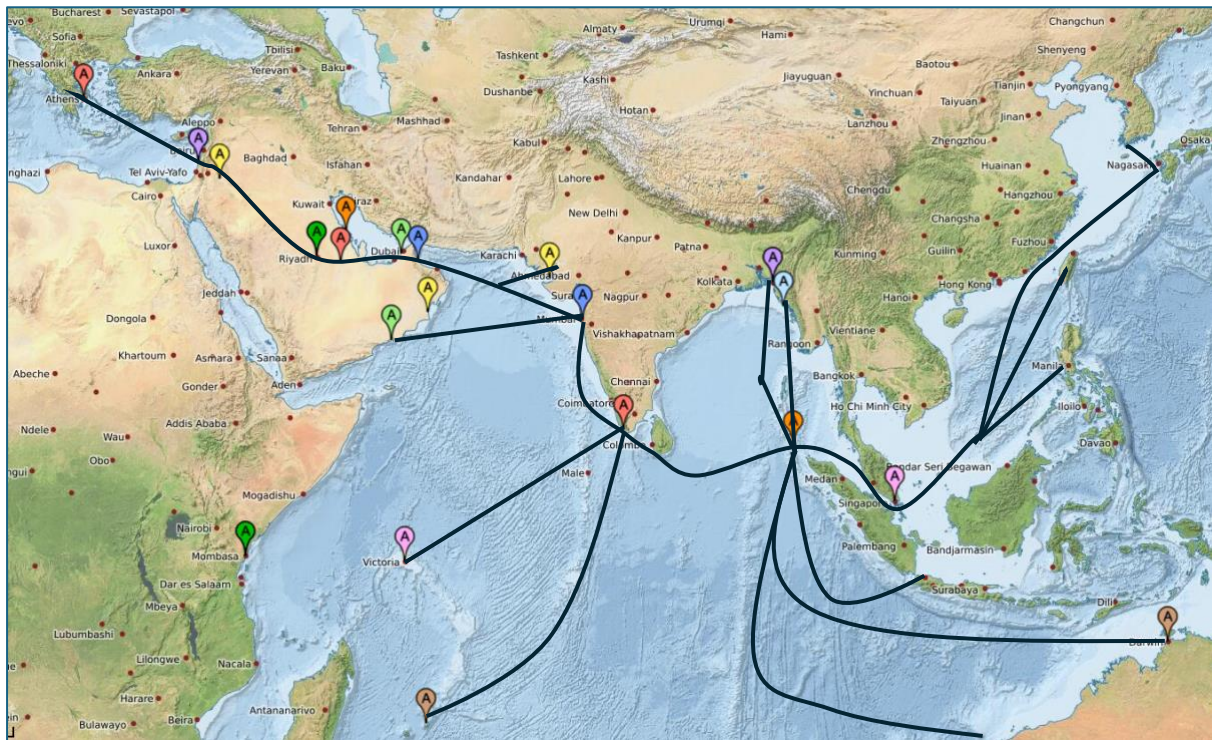


Figure 10: India as the Indo-Pacific Gateway Node of IMEC
Source: Base Map from eAtlas. <https://maps.eatlas.org.au/>

⁸⁴ PIB, "Sagarmala: Transforming India's Maritime Landscape", Ministry of Ports, Shipping and Waterways, 11 April 2026. <https://sagarmala.gov.in/>

⁸⁵ PIB, "Sagarmala Programme", Ministry of Ports, Shipping and Waterways, 27 March 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2115878®=3&lang=2>

The Resilient Three-Node Entry Architecture: Oman as Integral Design

54. The expanded vision also requires a fundamental revision of the corridor's Gulf-side entry architecture. The original single-spine design carried unacceptable concentration risk, as the 2026 conflict demonstrated. The UAE absorbed more strikes than any GCC member state during the conflict.⁸⁶ Jebel Ali, Fujairah, and Abu Dhabi's industrial zones sustained disruption. A corridor whose entire eastern entry depends on a single node is structurally vulnerable in a way that careful design can remedy.

55. Towards mitigating the above mentioned single-spine concentration risk, it would be prudent that the expanded IMEC architecture formally recognises three complementary entry nodes.

(a) **Node A - UAE (Jebel Ali/ Fujairah).** The primary commercial gateway for the northern Gulf, leveraging existing world-class port infrastructure, logistics ecosystems, and the security architecture of the India-UAE Strategic Defence Partnership. The optimal node for high-value, time-sensitive container cargo under normal operating conditions.

(b) **Node B - Oman (Salalah/ Duqm/ Sohar).** The Hormuz-independent resilience pathway and the expanded architecture's most strategically important addition. Salalah sits on the Arabian Sea, directly accessible from India's west coast without transiting any contested maritime chokepoint. Duqm, on the Arabian Sea coast, is a deepwater port of significant and growing scale with direct open-ocean access. Oman's sustained diplomatic neutrality, as the only GCC state not actively targeted during the 2026 conflict and a historically reliable diplomatic back-channel in regional crises, makes it the corridor's most politically insulated node.⁸⁷ The UAE-Oman rail link under development⁸⁸ provides connectivity between Nodes A and B, allowing seamless rerouting when northern Gulf access is disrupted. Oman should be formalised as a full IMEC signatory at the earliest opportunity. The prospective Omani nodes are shown in Figure 9 above.

(c) **Node C - Saudi Arabia (Jubail/ Jeddah).** The direct Arabian Peninsula entry point connected to Saudi Arabia's East-West rail spine and the Jubail-Jordan freight corridor.⁸⁹ Essential for corridor flows that do not require UAE transshipment and central to Saudi Arabia's Vision 2030 logistics ambitions.

⁸⁶ Stefanie Hausheer Ali, "They have been exposed": The Iran war upends Gulf states' security and business model", Atlantic Council, 20 April 2026. <https://www.atlanticcouncil.org/blogs/menasource/they-have-been-exposed-the-iran-war-upends-gulf-states-security-and-business-model/>

Also see: Al Jazeera Staff, "GCC chief urges UN to halt Iranian attacks, protect Gulf waterways", AlJazeera, 02 April 2026. <https://www.aljazeera.com/news/2026/4/2/gcc-chief-urges-un-to-halt-iranian-attacks-protect-gulf-waterways>

⁸⁷ Amjed Abdalla, "The Regional Lifeboat: How Oman's Diplomacy Anchored it as the Middle East's Pressure Valve", Atlas Institute for International Affairs, 28 April 2026. <https://atlasinstitute.org/the-regional-lifeboat-how-omans-diplomacy-anchored-it-as-the-middle-east-s-pressure-valve/>

⁸⁸ Nida Sohail, "Oman-UAE railway project progress: How will it ease travel?", Gulf Business, 23 April 2026. <https://gulfbusiness.com/en/2026/transport/oman-uae-railway-project-key-details-on-progress-revealed/>

⁸⁹ Dina Abdullah, Rakesh Gupta and Jean-Pierre Labuschagne, "Saudi Arabia accelerates its rail revolution", MEED, 04 December 2025. <https://www.meed.com/saudi-arabia-accelerates-its-rail-revolution>

Also see: Arab News, "Saudi Arabia unveils rail freight corridor linking Eastern ports to Jordan border", 26 March 2026. <https://www.arabnews.com/node/2637752/business-economy>

56. These three nodes, connected by the regional rail and road infrastructure under active development, create a corridor that no single point closure can paralyse. The 2026 conflict has demonstrated the consequences when only one node exists. The expanded IMEC must be designed from the outset so that it cannot happen again.

The Strategic Urgency of the Expanded Vision

57. The case for moving immediately on the expanded vision rests on two distinct but reinforcing arguments. The defensive argument is empirically settled. The corridor is needed as a “resilience infrastructure” against the chokepoint vulnerabilities that the 2026 crisis proved catastrophic. The offensive argument is equally compelling. The window to shape the corridor’s architecture is open now and will narrow as investment decisions crystallise and infrastructure is committed. Infrastructure defines the economic geography it serves for decades. The 2026 crisis has created the investment urgency, the political will, and the strategic clarity that IMEC has lacked since its announcement. The institutional and financial pieces required to build the right corridor are available at this moment. That is the opportunity the crisis has created, and it must be used.

THE HUMAN STAKES: WHY DEVELOPMENT CANNOT BE A FOOTNOTE

58. India did not choose this crisis. India did not initiate this conflict. India has no territorial stake in the Strait of Hormuz. And yet India absorbs the developmental cost - in cooking gas shortages, in crop yield threats, in remittance falls, in growth projections revised downward - for chokepoint vulnerabilities it did not create and cannot unilaterally resolve. Strategic assessments have a characteristic tendency to treat this cost as a rounding error, which it is not. The stakes for India's development trajectory are of a magnitude that warrants direct statement.

59. Over the fifteen years between 2010 and 2025, India achieved one of the most consequential poverty reduction outcomes in the history of development economics. The World Bank’s Spring 2025 Poverty and Equity Brief records that India lifted approximately 171 million people from extreme poverty between 2011-12 and 2022-23.⁹⁰ The UNDP’s Global Multidimensional Poverty Index records that 415 million people moved out of multidimensional poverty in India between 2005-06 and 2019-21.⁹¹ These achievements were the product of sustained economic growth combined with deliberate policy interventions in terms of financial inclusion, welfare delivery reforms, healthcare expansion, and improvements in basic infrastructure. These gains have been reflected in successive improvements across multiple development indicators and represent one of the largest poverty reduction efforts in contemporary history. The concern arising from the 2026 crisis is therefore not simply one of temporary economic disruption, but of its potential to slow, delay, or reverse developmental gains that required years to achieve.

60. The households that escaped extreme poverty most recently are those with the thinnest buffers against external shocks, and the 2026 crisis has tested those buffers directly and simultaneously across all three of the dependency chains described in Section III. A cooking gas

⁹⁰ PIB, “India’s Triumph in Combating Poverty”, Ministry of Information & Broadcasting, 26 April 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2124545®=3&lang=2>

⁹¹ UNDP, “Global Multidimensional Poverty Index 2023”. <https://hdr.undp.org/system/files/documents/hdp-document/2023mpireporten.pdf>

shortage that forces a family back to biomass burning is not a supply chain inconvenience. It is a reversal of years of health investment, because the respiratory disease burden of indoor biomass combustion falls disproportionately on women and children. A fertiliser supply shock that reduces crop yields for subsistence farmers is a food security threat for households with no savings buffer. A remittance disruption that eliminates the monthly transfer from a construction worker in Dubai to his family in Kerala or Bihar removes the primary income source for a household with no domestic substitute. None of these shocks originates in any failure of Indian policy. All of them originate in a strait over which India has no sovereign control.

61. The UNDP's assessments brought out earlier are projections and estimates. Their precise realisation will depend on the conflict's duration and resolution. What is beyond reasonable dispute is their direction, their order of magnitude, and the populations they describe. The households at the margin of poverty are not an abstraction. They are the specific beneficiaries of the policy architecture described in Para 59 and they are the first to lose ground when external shocks of this kind materialise.

62. The milestone of becoming the world's third-largest economy, projected before the conflict by the IMF and others for 2027,⁹² has now shifted to 2031.⁹³ Those years represent improved living standards, expanded social mobility, and enlarged public service capacity for hundreds of millions of people, gains that a conflict India neither sought nor started has set back by an interval no one can yet measure.

63. This is why IMEC is not, for India, a geostrategic amenity. It is a development imperative of the first order. A corridor that reduces India's structural exposure to Hormuz chokepoint risk, creates alternative supply chain access for fertilisers, LNG, and manufactured goods, generates manufacturing employment providing income opportunities comparable to those currently available only in the Gulf, and accelerates India's economic trajectory, directly protects the development gains of the past decade and a half against precisely the kind of external shock that the 2026 crisis has proved can materialise within days. Every year the corridor is delayed is a year of unnecessary and avoidable vulnerability.

INDIA'S PROPOSITIONS: REQUIREMENTS FOR A VIABLE CORRIDOR

64. The following propositions represent India's assessment of the conditions without which the corridor will not function at the scale and resilience its strategic purpose demands. They are stated directly, in the expectation that honest articulation of requirements serves all partners better than diplomatic ambiguity.

65. **On Manufacturing Investment: Commitments Must be Bankable and Timebound.** The Partnership for Global Infrastructure and Investment (PGII) framework, the

⁹² DK Srivastava, "India - towards becoming the third largest economy in the world", EY, 25 August 2023. https://www.ey.com/en_in/insights/tax/economy-watch/india-towards-becoming-the-third-largest-economy-in-the-world

Also see: AIR, "India could become 3rd largest economy by 2027, says IMF's Gita Gopinath", 17 August 2024. <https://newsonair.gov.in/india-could-become-3rd-largest-economy-by-2027-says-imfs-gita-gopinath/#:~:text=First%20Deputy%20Managing%20Director%20of,of%20the%20world%20by%202027>

⁹³ ET Online, "India's economy slipping to 6th rank, IMF data shows, prospects bright", The Economic Times, https://economictimes.indiatimes.com/news/economy/indicators/imf-data-shows-indias-economy-slips-to-6th-rank-prospects-bright/articleshow/130325800.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

EU Global Gateway, and the European Investment Bank represent valuable political commitments. These represent valuable political commitments. But political commitments alone do not translate into manufacturing investment. A dedicated *IMEC Manufacturing Investment Facility*, jointly governed by India, the EU, and participating Gulf sovereign wealth funds and open to US participation, should be established as a concrete institutional deliverable of the next IMEC ministerial meeting. Pharmaceuticals, agrochemicals, automotive components, green energy equipment, and semiconductor assembly should form the initial priority sectors, combining alignment with India's PLI framework with the capacity to generate the industrial scale and trade volumes required for the corridor's long-term viability.

66. On the India-US Strategic and Trade Relationship: Partnership Requires Candour. The resolution of bilateral trade frictions through the ongoing negotiations is a prerequisite for the US investment track of the IMEC manufacturing thesis to operate as designed. India values the strategic partnership with the United States deeply and intends to strengthen it. The full potential of that partnership, of which IMEC is one expression, can only be realised through direct and honest engagement on the concerns articulated in Section IV of this paper.

67. On Gulf Cohesion: Corridor Governance Requires an Institutional Architecture. India engages both Saudi Arabia and the UAE as primary partners through complementary bilateral tracks. What the corridor requires is that both Gulf states demonstrate the capacity to subordinate their bilateral strategic and commercial rivalry, at minimum in the domain of cross-border transit facilitation and corridor governance, to the larger interest they share in IMEC's success. Towards this, the establishment of a Gulf Corridor Coordination Council, including Saudi Arabia, UAE, Oman, Jordan, and India, as the governance mechanism for cross-border transit standardisation, customs harmonisation, and shared infrastructure investment coordination, would be immensely prudent.

68. On Oman: Formalise the Integral Node Without Further Delay. Oman's inclusion as a formally recognised integral corridor node, a designed component of the resilience architecture rather than a contingency option, should be formalised at the next IMEC ministerial meeting through an expanded MOU explicitly recognising the Salalah-Duqm-Sohar node cluster with full institutional status. This formalisation signals to investors, shipping companies, and insurance markets that Hormuz-independent routing is a permanent corridor feature rather than a workaround.

69. On the Northern Segment: Adopt Formal Phasing. A formally phased corridor architecture publicly acknowledged and transparently managed, separating segments that can proceed immediately from those awaiting diplomatic preconditions should be adopted as official IMEC policy. Phase One encompasses the India-UAE-Oman-Saudi-Jordan segments. Phase Two, the northern connection through Israel to Haifa and the Mediterranean, is held as a designed and engineered segment pending the maturation of regional diplomatic conditions. While honest phasing would build investor confidence, diplomatic ambiguity about uniform progress would erode it.

70. On the IMEC Coordinating Secretariat: The Institution Must Be Built. Even two and a half years after the New Delhi MOU, no permanent institutional coordinating mechanism for IMEC exists. A permanent IMEC Secretariat, with representation from all MOU signatories, a professional permanent staff, and a defined mandate covering standards harmonisation, customs coordination, investment facilitation, and security framework development, is the foundational institutional requirement without which the corridor will remain a collection of

bilateral agreements rather than an integrated system. India could host the Secretariat's Asian office in Mumbai, the natural western gateway of the expanded corridor's eastern segment.

THE OBLIGATION INDIA OWES ITSELF

71. The preceding section identified the requirements India expects from its partners. Analytical consistency requires the same standard to be applied domestically. The strategic opportunity created by IMEC will not automatically translate into manufacturing investment merely because the corridor exists. Investors ultimately compare locations, not narratives. The history of global manufacturing demonstrates that capital flows not to the most compelling strategic vision, but to the jurisdiction that offers the most attractive combination of cost, certainty, speed, and market access. The opportunity presented by the 2026 crisis is therefore real, but so too is the competition. Vietnam, Indonesia, Mexico, and several Gulf states are pursuing the same investment flows that India seeks to attract.

72. The challenge facing India is not the absence of policy architecture. The country already possesses many of the foundations required to support large-scale manufacturing growth, including the Production Linked Incentive schemes, PM GatiShakti, the National Logistics Policy, industrial corridor programmes, labour market reforms, and a growing network of modern port infrastructure. The issue is increasingly one of execution.

73. This gap is best understood from the perspective of an investor whose capital IMEC seeks to attract. That investor is not reading White Papers. He is asking five questions: Can I get land, and how long will it take? Do I have the freedom to hire and manage my workforce? Can I move my goods without paying a logistics premium? Can I be certain that the rules I invest under will be the rules I operate under? And, is India, specifically, the right location for the manufacturing the IMEC corridor is designed to carry? These are not abstract policy questions. They are the practical tests through which investment decisions are ultimately made, and they will determine whether India captures the manufacturing and supply-chain opportunities IMEC is intended to generate. The detailed measures required to answer these questions are set out in Appendix A. At the strategic level, however, they point towards three broad priorities.

74. First, India must demonstrate that manufacturing investment can move from commitment to production within predictable and competitive timelines. Land allocation, environmental approvals, utility connections, and administrative coordination remain among the most important determinants of investment decisions.⁹⁴ In a competitive investment environment, certainty is often as valuable as cost. The strategic objective should therefore be the creation of IMEC-linked manufacturing ecosystems in which investors can move from approval to operational activity through clearly defined and reliable timelines.

75. Second, India must continue reducing logistics friction across the entire export chain. The success of IMEC will depend not only upon major infrastructure such as ports, railways, and industrial corridors, but also upon customs procedures, documentation requirements, multimodal integration, and cargo-handling efficiency. Initiatives such as the proposed Green Corridor pilot and the India-UAE MAITRI framework provide useful examples of the direction in which policy must move. MAITRI (Master Application for International Trade and

⁹⁴US State Department, "2025 Investment Climate Statements: India," Bureau of Economic and Business Affairs, May 2026. <https://www.state.gov/reports/2025-investment-climate-statements/india>

Regulatory Interface) is a digital platform and Virtual Trade Corridor linking customs and port authorities. By enabling real-time data exchange and system interoperability, it is designed to streamline cargo movement, significantly reduce transit times, and lower logistics costs.⁹⁵ Physical connectivity alone is insufficient; institutional connectivity must evolve alongside it. The strategic objective should be an export environment characterised by predictable transit standards, minimal administrative friction, and interoperable digital systems across the corridor.

76. Third, India must focus investment attraction efforts on sectors where IMEC creates genuine comparative advantage rather than relying upon generic manufacturing promotion. Pharmaceuticals, agrochemicals, automotive components, green-energy equipment, semiconductor assembly, and clean-energy supply chains are not simply priority sectors. They are the cargo-generating industrial ecosystems that justify the corridor's existence. Gulf capital, European technology, and Indian manufacturing scale can combine most effectively in these sectors. The long-term success of the corridor will ultimately be measured not by kilometres of railway constructed, but by the volume of industrial activity, trade, and investment generated across it.

77. The strategic opportunity created by IMEC is therefore real, but it is neither exclusive nor permanent. Other states (Vietnam, Indonesia, and Mexico to name a few) are competing for the same manufacturing investment, supply-chain diversification, and industrial activity that the corridor seeks to attract. The post-conflict investment window created by the 2026 crisis is unlikely to remain open indefinitely. The challenge for India is not to articulate the opportunity, but to capture it.

A THREE-HORIZON IMPLEMENTATION FRAMEWORK

78. The corridor cannot wait for perfect conditions. Perfect conditions in this region have never historically existed and are not a precondition for building infrastructure of strategic necessity. A disciplined, phased approach that builds what is possible now, creates the conditions for the next phase, and preserves the integrity of the full vision without allowing the unresolved to obstruct the achievable, is the appropriate strategic posture. What bears mention is that infrastructure alone does not create a functioning corridor. Seamless movement requires institutional and digital interoperability across jurisdictions.

Horizon One: 2026-2029 - Consolidate, Formalise, Begin

79. The first horizon is not about building the corridor. It is about creating the conditions without which building is impossible. The immediate priority is institutional: a permanent Secretariat, a formalised Oman node, a Gulf Corridor Coordination Council, and a Manufacturing Investment Facility that transforms political commitments into bankable transactions. The security architecture for the eastern segment must also be operationalised during this period, because investor confidence in the corridor's commercial viability depends on demonstrated maritime security as much as on regulatory frameworks. Nothing in Horizon One is contingent on the resolution of the corridor's most complex geopolitical obstacles. Everything in it can begin now. The following need to be undertaken as part of Horizon One: -

⁹⁵ PIB, "Prime Minister's visit to the United Arab Emirates", PMO, 15 May 2026. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2261393®=3&lang=1>

- (a) Formalise Oman as a full IMEC corridor node through an expanded MOU and initiate active development of the Salalah-Duqm-Sohar entry infrastructure with Gulf sovereign wealth participation.
- (b) Establish the IMEC Secretariat with a permanent institutional mandate, co-chaired initially by India and a European partner, with Gulf representation from Saudi Arabia, UAE, and Oman.
- (c) Complete financing, technical alignment, and regulatory coordination, while initiating phased construction of the Saudi internal rail spine and UAE-Jordan Aqaba railway as formally designated IMEC Phase One infrastructure.
- (d) Initiate the IMEC Standards and Connectivity Framework covering customs harmonisation, single-window clearance systems, digital documentation protocols, interoperable cargo tracking mechanisms, and common logistics data standards to ensure that institutional integration develops alongside physical infrastructure.
- (e) Establish pilot “Green Corridor” customs lanes between selected gateway ports (for example JNPT-Jebel Ali-Salalah) with pre-cleared documentation and reduced processing times. (*Early Proof of Concept*).
- (f) Begin a port-twinning programme linking major IMEC gateway ports, including JNPT, Mundra, Vizhinjam, Jebel Ali, Salalah, and selected European terminals, to align operational practices, digital systems, and capacity-building initiatives.
- (g) Launch the IMEC Manufacturing Investment Facility with seed commitments from PGII, EIB, and at least two Gulf sovereign wealth funds. Initial focus to be on pharmaceuticals, agrochemicals, and automotive components in PLI-aligned clusters with direct IMEC cargo linkages.
- (h) Launch a corridor visa and business mobility framework for logistics professionals, engineers, and technical personnel involved in IMEC infrastructure development. (*Physical infrastructure often stalls because people cannot move efficiently*).
- (j) Operationalise the India-UAE maritime security coordination framework under the Strategic Defence Partnership, encompassing joint naval patrols, IFC-IOR liaison placement, and white-shipping information exchange for the Arabian Sea segment.
- (k) Establish the Gulf Corridor Coordination Council as the institutional mechanism for cross-border transit standardisation and investment coordination.
- (l) Establish an India-US IMEC Investment Dialogue focused on addressing trade frictions affecting manufacturing, technology transfer, and private capital participation in corridor-linked sectors.
- (m) Leverage Vizhinjam’s operational status to designate it formally as IMEC’s Indo-Pacific gateway port, aligning its logistics standards and customs digitisation with corridor specifications.

- (n) Conduct an annual IMEC Corridor Simulation Exercise involving ports, customs authorities, shipping operators, and maritime agencies to test contingency rerouting procedures and crisis response mechanisms. (*Stress Exercise.*)

Horizon Two: 2029-2035 - Build, Integrate, Deepen

80. The second horizon is where the corridor becomes real in the most tangible sense as infrastructure begins moving cargo, investment translates into manufacturing output, and a Gulf-India industrial partnership evolves from aspiration into commercial reality. The Jordan-Aqaba land bridge, activated in this horizon, marks the moment IMEC transitions from a maritime corridor with land-bridge ambitions into a functioning multimodal system. The green hydrogen pipeline and the digital infrastructure built during this period also begin to realise the energy and services dimensions of the original vision, diversifying the corridor's value proposition beyond container throughput. The following are relevant with regard to Horizon Two: -

- (a) Activate the Jordan-Aqaba segment as an early operational extension of IMEC, establishing a Red Sea maritime interface for the corridor, connecting emerging Gulf rail infrastructure to Red Sea shipping routes, and enhancing resilience through route diversification and reduced dependence on a single Mediterranean gateway.
- (b) Scale Gulf sovereign wealth investment in Indian manufacturing zones across PLI-aligned sectors, generating cargo volumes that justify full corridor operation.
- (c) Initiate a Mediterranean Corridor Coordination Framework involving India, Israel, Greece, and Cyprus focused on maritime domain awareness, logistics cooperation, and corridor security planning across the eastern Mediterranean.
- (d) Initiate development of an IMEC hydrogen connectivity system through feasibility studies, regulatory harmonisation, pilot projects, and early transport, storage, and handling infrastructure, laying the foundations for a future clean-energy pillar linking Gulf production centres with industrial demand hubs in India and Europe as part of the corridor's long-term energy architecture.
- (e) Establish the India-UAE-France defence-industrial co-development framework under the Rafale commonality architecture, creating a trilateral capability ecosystem with both industrial and strategic dimensions.
- (f) Integrate IMEC digital infrastructure, encompassing fibre-optic cables, data centres, and AI-enabled logistics platforms, as a commercially operating asset attracting technology investment.
- (g) Operationalise the IMEC Port Integration Network across major gateway ports, implementing corridor-wide electronic bills of lading, integrated port community systems, real-time cargo visibility mechanisms, and dynamic cargo rerouting capabilities during supply-chain disruptions.
- (h) Develop and operationalise an IMEC Trade and Regulatory Facilitation Framework focused on reducing non-tariff barriers, harmonising standards, streamlining customs procedures, and enabling seamless movement of corridor-linked goods and services.

- (j) Establish an IMEC Trusted Supply Chain Certification Framework for pharmaceuticals, semiconductors, green technologies, and critical industrial components.
- (k) Establish IMEC Special Manufacturing and Logistics Zones linked directly to corridor ports and rail nodes through coordinated land allocation, regulatory approvals, and early commitments from anchor manufacturers and logistics operators, integrating warehousing, value-added processing, and export-oriented production ecosystems.
- (l) Create strategic reserves and distribution hubs for fertilisers, LNG, food grains, and critical industrial inputs at major corridor nodes.
- (m) Formalise Indo-Pacific gateway connectivity, covering Vizhinjam port capacity, coastal shipping enhancement under Sagarmala, and the multimodal logistics park network, as a recognised component of IMEC's extended architecture.
- (n) Advance Galathea Bay port development within IMEC's institutional architecture and long-term investment planning.
- (p) Conduct annual corridor-wide logistics exercises simulating disruption scenarios involving port closures, rail interruptions, and maritime chokepoint constraints.

Horizon Three: 2035 and Beyond - Complete, Connect, Consolidate

81. The third horizon is contingent in a way the first two are not. Its defining deliverable, the activation of the northern segment through Israel to Haifa and the Mediterranean, depends on a regional diplomatic environment that cannot be willed into existence by corridor planning alone. What can be done in advance of that environment is to design and hold the northern segment ready, so that when the diplomatic conditions mature, activation is a matter of months rather than years. The third horizon also realises India's Indo-Pacific gateway function at institutional scale, integrating Galathea Bay, South and Southeast Asia connectivity, and the Mediterranean Quad into a corridor architecture that spans from ASEAN to the Atlantic. The following are relevant towards this: -

- (a) Activate the northern segment upon the maturation of the required regional diplomatic conditions, integrating the Haifa connection and completing the Mediterranean maritime link.
- (b) Institutionalise the Mediterranean Quad dimension, encompassing India, Israel, Greece, and Cyprus, through coordinated maritime domain awareness mechanisms, logistics security arrangements, naval exercises, and transit facilitation measures across the eastern Mediterranean.
- (c) Integrate South and Southeast Asian connectivity into formal IMEC-adjacent institutional frameworks through ASEAN-linked observer mechanisms, multimodal trade corridors, and expanded port and logistics integration connecting Bay of Bengal and Southeast Asian networks with IMEC infrastructure.
- (d) Develop an IMEC Strategic Resilience Architecture integrating strategic food, energy, fertiliser, and critical supply reserves with coordinated emergency financing, rapid infrastructure restoration capabilities, and pre-designated contingency routing mechanisms across corridor nodes.

(e) Expand the IMEC Secretariat into a permanent multilateral governance institution with dedicated divisions for infrastructure coordination, crisis response, investment facilitation, corridor expansion planning, and the mobilisation of long-term financing mechanisms (including the development of pooled financing and capital-market instruments for future corridor expansion and resilience upgrades) across the Eurasian-Indo-Pacific space.

(f) Progressively deploy a mature IMEC hydrogen connectivity network linking Gulf production centres with industrial demand hubs in India and Europe, establishing a long-term clean-energy pillar for the corridor and advancing regional energy security, industrial decarbonisation, and geoeconomic integration.

CONCLUSION: THE OBLIGATION OF THE MOMENT

82. The India-Middle East-Europe Economic Corridor was announced in a moment of diplomatic optimism. It must be built in a period of strategic urgency. The conditions are different, and they demand a different approach: more honest about obstacles, more phased in construction, more ambitious in vision, and more disciplined in acting on the lessons that the 2026 crisis has delivered at substantial human and economic cost.

83. The conflict demonstrated that the Strait of Hormuz could be effectively closed within seventy-two hours; that estimated Gulf production losses of over 10 million barrels per day could materialise within a fortnight; that approximately 2.5 million additional Indians could be projected toward poverty by a conflict India neither started nor joined; and that India's trajectory toward a major developmental milestone could be set back not by any failure of Indian policy but by a chokepoint vulnerability that IMEC was designed to address and that was not addressed in time.

84. The alternative route that would have reduced the damage existed only in a Memorandum of Understanding that had never been funded, never been institutionalised, and never been built at the required scale. That is the starting point for this paper's argument and equally its conclusion: the strategic and human costs of the 2026 crisis make the case for immediate, ambitious, and sustained action on IMEC with an empirical force that no prior analysis achieved.

85. The corridor must be built, not to the 2023 specification alone, but to the expanded vision set out in this paper. It must be multi-directional, resilient through a three-node Gulf entry architecture with Oman as an integral designed component, institutionally grounded in a permanent Secretariat and a Gulf Corridor Coordination Council, anchored by bankable manufacturing investment commitments, and designed from the outset to serve as the connective spine of a Eurasian-Indo-Pacific geoeconomic order with India as the pivotal gateway node.

86. The political will generated by the 2026 crisis, the institutional frameworks created by the EU-India FTA and the India-UAE Strategic Defence Partnership, the investment appetite of Gulf sovereign wealth funds seeking post-conflict diversification, and the China de-risking imperative driving European and American supply chain strategy all converge at this moment. The virtuous cycle, encompassing Indian manufacturing, Gulf industrial partnership, regional stability incentives, chokepoint circumvention, reduced security burdens, and durable

gloeonomic integration extending to the Indo-Pacific, is achievable within the timeframes the three-horizon framework has set out.

87. The corridor creates an opportunity, but it does not guarantee an outcome. Its success will depend not only upon the willingness of participating states to cooperate, but also upon their ability to translate strategic intent into operational reality. For India in particular, the obligation is straightforward: to match the scale of its strategic ambition with an equivalent commitment to execution. The obligation of this moment is to act at the scale the moment demands. The corridor was not built fast enough before the fire. The obligation now is to build it right.

Appendix A

INDIA'S IMEC MANUFACTURING AND INVESTMENT ACTION AGENDA

CORE DETERMINANTS OF IMEC MANUFACTURING COMPETITIVENESS

1. The main body of this paper argues that IMEC creates a strategic opportunity but does not, by itself, guarantee manufacturing investment or industrial expansion. Investors ultimately compare locations rather than geopolitical visions. The practical question is therefore how India converts the strategic opportunity created by IMEC into tangible investment, manufacturing activity, and corridor-linked trade flows. This Appendix identifies six implementation priorities that address the principal concerns of investors evaluating India as a destination for IMEC-linked manufacturing.

2. These priorities are structured around the questions that ultimately determine investment decisions. Can land be obtained quickly and with legal certainty? Can labour be hired and managed within a predictable regulatory framework? Can goods move efficiently through the logistics system? Can investors rely upon regulatory stability throughout the life of a project? Is India the most competitive location for the sectors the corridor is designed to carry? And finally, does a sufficiently empowered institutional mechanism exist to convert investor interest into operational production?

Action Point 1: Turn the Land Commitment into a Time-Bound Deliverable

3. Land remains the single largest deal-killer in Indian manufacturing investment. Land acquisition delays have terminated or indefinitely deferred projects from POSCO, ArcelorMittal, and multiple electronics manufacturers over the past two decades.⁹⁶ The PM GatiShakti National Master Plan⁹⁷ and the industrial corridor land bank represent genuine progress in mapping and identifying available parcels. They, however, do not resolve the problem of allocation speed, title clarity, or litigation risk that follows even titled land through the Indian courts system.

4. The specific commitment required is not a general statement about land availability. It needs to be a corridor-specific, time-bound offer: IMEC-linked industrial zones in identified states such as Uttar Pradesh, Gujarat, Maharashtra, and Tamil Nadu, with pre-cleared parcels, clean title guaranteed by state government indemnity, and a defined allocation timeline of no more than ninety days from application to possession. This is achievable but would require political coordination between the Centre and state governments that has been demonstrated on other infrastructure projects. It, however, has not yet been demonstrated on manufacturing investment at this scale. The IMEC manufacturing investment thesis requires it.

⁹⁶ Nageshwar Patnaik, "ArcelorMittal, Posco & Vedanta scale down plans in Orissa due to delay in acquisitions", The Economic Times. 18 October 2010. <https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/arcelormittal-posco-vedanta-scale-down-plans-in-orissa-due-to-delay-in-acquisitions/articleshow/6765977.cms?from=mdr>

⁹⁷ Department for Promotion of Industry and Internal Trade, "About PM Gati Shakti". https://pmgatishakti.gov.in/pmgatishakti/about_pmgati

5. The Gujarat and Maharashtra industrial corridor experience provides an implementable template.⁹⁸ What is required is the replication of that template at the speed the post-conflict investment window demands, and its formal linkage to the IMEC Manufacturing Investment Facility so that Gulf SWF capital and European institutional capital have a defined destination, not a process to navigate.

Action Point 2: Make the Labour Codes Real, Not Just Enacted

6. All four Labour Codes: the Code on Wages, the Industrial Relations Code, the Code on Social Security, and the Occupational Safety, Health and Working Conditions Code; came into force on 21 November 2025, consolidating 29 legacy labour laws into a modern unified framework.⁹⁹ The Ministry of Labour and Employment (MoLE) fully finalised and published the central rules across more than 30 gazette notifications on 08 May 2026, resolving previous operational delays.¹⁰⁰ This is a significant legislative achievement. However, since labour falls under the Concurrent List of the Indian Constitution, pan-India uniformity does not exist as yet. Individual states are yet to notify local rules in this regard.¹⁰¹ The gap between legislative enactment and operational implementation is precisely the lacuna that competing manufacturing destinations do not suffer from.

7. The action required is not further legislation. It is expedited state-level rule notification, a defined transition timeline communicated to investors, and critically, the designation of IMEC-linked manufacturing zones as priority implementation zones where the full four-code framework is operationally effective from day one of investment approval. For export-oriented manufacturing of the kind IMEC is designed to generate, the Industrial Relations Code provisions¹⁰² on fixed-term contracts, workforce flexibility, and standing orders are the specific provisions that international investors need to see in operation, not in gazette notifications. Further liberalisation of the code could be thought of for IMEC related investments.

Action Point 3: Close the Logistics Cost Gap on the Corridor Route Itself

8. India's logistics costs as a share of GDP have been subject to significant methodological dispute. The Economic Survey 2022-23 cited a range of 14-18 per cent of GDP against a global benchmark of eight per cent.¹⁰³ The DPIIT commissioned NCAER study (September 2025)

⁹⁸ Department for Promotion of Industry and Internal Trade, "Industrial Corridors".

<https://www.dpiit.gov.in/offerrings/schemes-and-services/details/industrial-corridors-YjM2UDNtQWa>

⁹⁹ KPMG, "India: Government of India Announces Implementation of Four Labour Codes," Flash Alert 2025-267, December 2025. <https://kpmg.com/xx/en/our-insights/gms-flash-alert/flash-alert-2025-267.html>

¹⁰⁰ KPMG, "India: Government of India Notifies Final Rules on Four Labour Codes," Flash Alert 2026-127, 22 May 2026. <https://kpmg.com/xx/en/our-insights/gms-flash-alert/2026/flash-alert-2026-127.html>

¹⁰¹ Avik Biswas, Ivana Chatterjee, and Kevin Kennedy, "India: Indian Ministry of Labour and Employment Notifies Central Rules and Appropriate Authorities under the Labour Codes", L&E Global, 28 May 2026.

<https://leglobal.law/2026/05/28/india-indian-ministry-of-labour-and-employment-notifies-central-rules-and-appropriate-authorities-under-the-labour-codes/>

Also see:

Sonakshi Das, Lijin Varughese, Mayank Jain, Devika Sreekumar and Shreeya Sucharita, "Key considerations of the notified Central Rules under India's Labour Codes", DLA Piper: Global Employment News, 18 May 2026.

<https://knowledge.dlapiper.com/dlapiperknowledge/globalemploymentlatestdevelopments/2026/Key-considerations-of-the-notified-Central-Rules-under-Indias-Labour-Codes>

¹⁰² "The Industrial Relations Code, 2020". <https://www.indiacode.nic.in/bitstream/123456789/22040/1/A2020-35.pdf>

¹⁰³ Economic Outlook, "Logistics cost to come down to 9% in two years: Gadkari", CMIE, 18 October 2024. <https://www.cmie.com/kommon/bin/sr.php?kall=warticle&dt=20241018124701&msec=006>

revised this to approximately 7.97 per cent of GDP for FY24, a figure materially below prior estimates and comparable to South Korea.¹⁰⁴ The methodological debate, while substantively important, somewhat obscures the operational question that an IMEC investor would ask: what will it cost to move goods from a factory in a PLI-aligned industrial cluster to Jebel Ali or Salalah, and how does that compare to the equivalent cost from a factory in Vietnam or Indonesia?

9. The honest answer is that EXIM logistics costs at the port-to-door level, including dwell time, documentation processing, inland haulage, and customs clearance, remain materially higher in India than in competing locations. The National Logistics Policy sets a target of eight per cent logistics cost as a share of GDP by 2030.¹⁰⁵ The Green Corridor pilot already proposed in Horizon One of this paper - pre-cleared documentation lanes on the JNPT-Jebel Ali-Salalah route - is the specific IMEC-linked action that addresses this. It should be named explicitly as India's corridor-specific logistics commitment rather than presented only as a corridor feature. The commitment needed being - an investor in an IMEC-linked industrial zone will move export cargo through a dedicated corridor lane with a defined and guaranteed transit standard from factory gate to vessel departure. That commitment, made and delivered, is worth more than any logistics cost percentage in a policy document.

Action Point 4: Provide Regulatory Certainty, Not Just Tax Stability

10. The shadow of retrospective taxation falls dark in Indian investment circles with the 2021 Taxation Laws (Amendment) Act having not fully lifted it as yet. The Finance Act 2012 retrospective amendment to section 9(1)(i) of the Income Tax Act, which allowed India to pursue tax claims going back to 1962, resulted in arbitration losses in both Vodafone International Holdings BV v. Republic of India and Cairn Energy PLC v. Republic of India.¹⁰⁶ While the Modi government repealed the retrospective provision in 2021, the reputational damage to India as a predictable regulatory environment has not been fully repaired.¹⁰⁷

11. The action required goes beyond tax stability. What is required is a comprehensive regulatory certainty commitment for IMEC-linked manufacturing zones: no retrospective application of tax, environmental, or sectoral regulatory changes within the zone perimeter during a defined investment protection period, enforceable through a corridor-specific investment protection framework. India is, as of 2025, developing a new Model Bilateral Investment Treaty text to enhance its investment framework.¹⁰⁸ The 2015 treaty which is in force currently, is thought by economists to be a primary concern insofar as the ability to attract manufacturing focussed FDI is concerned.¹⁰⁹ The practical challenge for IMEC is how to provide Gulf sovereign wealth funds and European institutional investors with comparable levels of confidence and protection without requiring a separate treaty process for each investment.

¹⁰⁴ PIB, "Union Minister of Commerce and Industry, Shri Piyush Goyal launches report on Assessment of Logistics Cost in India, strengthening data-driven logistics planning", Ministry of Commerce & Industry, 20 September 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2168995®=3&lang=2>

¹⁰⁵ Animesh Choudhury Sanyal, "National Logistics Policy 2022", Jindal School of Government and Public Policy, 20 March 2025. <https://jgu.edu.in/jsgp/jindal-policy-research-lab/national-logistics-policy-2022/>

¹⁰⁶ Will Thomas, Helen Buchanan & Rohit Bhat, "Vodafone wins Indian retroactive tax dispute", Tax Journal, 30 September 2020. <https://www.taxjournal.com/articles/vodafone-wins-indian-retroactive-tax-dispute>

¹⁰⁷ US State Department, "2025 Investment Climate Statements: India," May 2026. <https://www.state.gov/reports/2025-investment-climate-statements/india>

¹⁰⁸ US State Department, "2025 Investment Climate Statements: India".

¹⁰⁹ ANI News, "Foreign Investors Avoiding India? Is a Deep State at Work? | explains top economist Surjit Bhalla", YouTube, 31 May 2026. <https://www.youtube.com/watch?v=v3wpuiUYz7k&t=2364s>

The answer may lie within the proposed structure of the IMEC Manufacturing Investment Facility itself. The Facility's Special Purpose Vehicle architecture should incorporate an explicit investment protection layer providing credible dispute resolution mechanisms, regulatory stability commitments, and safeguards against arbitrary policy actions. Properly designed, such a framework could deliver protections functionally comparable to treaty-based investment safeguards while remaining embedded within the corridor's own institutional architecture.

Action Point 5: Name the Sectors and Make an IMEC-Specific Case for Each Sector

12. Generic manufacturing investment pitches fail because they ask investors to make an undifferentiated location decision. The IMEC corridor creates a set of specific comparative advantages that do not exist absent the corridor. India's action agenda must name the sectors in which those advantages are most pronounced and make the IMEC-specific case for each, not the India case, which investors have heard time and again, but the case that only exists because of the corridor.

13. **Pharmaceuticals and Active Pharmaceutical Ingredients.** India is the third-largest pharmaceutical producer by volume globally and exports 50 per cent of production.¹¹⁰ As of September 30, 2025, cumulative financial incentives of Rs 23,946 crore were disbursed across 12 key sectors under the Production Linked Incentive (PLI) schemes. The pharmaceuticals and bulk drugs sectors were major drivers of this growth, experiencing massive jumps in both domestic output and global exports.¹¹¹ The IMEC-specific advantage lies in the Gulf's dependence on external supply chains. Just as GCC states import approximately 80–90 per cent of their food requirements, their healthcare systems remain overwhelmingly dependent on imported medicines and pharmaceutical products.¹¹² IMEC reduces transit times to the Gulf from approximately 22–24 days to an estimated 12–14 days. For temperature-sensitive pharmaceutical supply chains, this is not a marginal advantage. It is a supply-chain design parameter with significant implications for inventory management, cold-chain integrity, working capital requirements, and overall commercial competitiveness.

14. **Agrochemicals and Fertiliser inputs.** The 2026 crisis demonstrated that food security and agricultural resilience cannot be separated from energy and supply-chain security. Gulf states remain heavily dependent on imported food, while India's agricultural sector remains dependent on fertiliser production linked to imported LNG and petrochemical inputs. The IMEC-specific advantage lies in linking Gulf feedstock producers with India's agrochemical and fertiliser manufacturing base through a more resilient and efficient corridor architecture. Such an arrangement would simultaneously strengthen agricultural supply chains, improve cost efficiency, and enhance food security resilience across both ends of the corridor. This is not merely a trade route argument, but a food-system architecture argument.

15. **Precision Engineering and Automotive Components.** The EU-India FTA (27 January 2026) liberalises over 90 per cent of goods, including automotive components, from

¹¹⁰ PIB, "Production Linked Incentive Scheme Strengthens India's Manufacturing Capacity and Export Performance", Ministry of Commerce & Industry, 12 Dec 2025.

<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2202979®=3&lang=2>

¹¹¹ ¹¹¹ PIB, "Production Linked Incentive Scheme Strengthens India's Manufacturing Capacity and Export Performance".

¹¹² PharmaKnowl Consulting, "Pharmaceutical Landscape in the GCC: Key Insights and Statistics (2026)", 05 May 2026. <https://pharmaknowl.com/gcc-pharmaceutical-statistics/>

tariffs.¹¹³ The PLI scheme for automobiles and auto components carries an outlay of Rs 25,938 crore.¹¹⁴ The IMEC-specific advantage: European automotive manufacturers sourcing precision components under the FTA, routed via the corridor, face a materially shorter transit than the current Cape routing or the Suez routing. Indian precision engineering capabilities in clusters from Pune to Chennai to Coimbatore are already export-oriented. The corridor converts a marginal advantage into a structural one.

16. **Green Hydrogen Inputs and Clean Energy Manufacturing.** Europe's industrial decarbonisation requires green hydrogen at scale. India has announced a National Green Hydrogen Mission targeting five million metric tonnes of annual production by 2030.¹¹⁵ The Gulf has the solar irradiance, the capital, and the industrial infrastructure to produce green ammonia as a hydrogen carrier. India has the domestic demand and the manufacturing base for electrolyser components and renewable energy equipment.¹¹⁶ The IMEC corridor is the physical architecture that makes the India-Gulf green hydrogen supply chain viable. This is the long-term energy pillar of the corridor, and it is the sector in which European institutional capital has the most urgent strategic interest.

Action Point 6: Build the IMEC Investment Office as a Single Accountable Window

17. The final action point is institutional, and it is the precondition for the delivery of all the others. India has multiple agencies engaged in investment promotion such as the DPIIT, Invest India, the National Industrial Corridor Development Corporation, and various state industrial development corporations. Each does valuable work. However, none has a specific mandate for IMEC-linked manufacturing investment with the authority to cut across central and state jurisdictions, resolve inter-agency coordination failures, and guarantee a defined investor journey from first contact to operational production.

18. What is required is an IMEC Investment Office, co-located with the IMEC Secretariat proposed in the Six Propositions, with a specific mandate: a single point of contact for any investor in an IMEC-linked sector, with authority to convene the relevant central and state agencies, to commit to defined timelines, and to be held accountable when those timelines are not met. The Gulf SWF partners whose investment the Manufacturing Investment Facility is designed to attract are accustomed to sovereign-level counterparties who can make commitments and deliver them. They cannot navigate a multi-agency Indian bureaucratic process on their own. The Investment Office is the mechanism that would prevent the corridor's investment logic from dissolving into the institutional friction that has historically been India's most persistent competitive disadvantage.

¹¹³ European Commission, "Questions and answers on the EU-India Free Trade Agreement", 27 January 2026. https://ec.europa.eu/commission/presscorner/detail/en/qanda_26_185

¹¹⁴ PIB, "PLI Scheme for Automobile and Auto Component Industry", Ministry of Heavy Industries, 09 December 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2200845®=3&lang=1>

¹¹⁵ PIB, "Unlocking India's Green Hydrogen Production Potential", Ministry of New and Renewable Energy, 12 November 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2189126®=3&lang=2>

¹¹⁶ Council on Energy, Environment and Water, "How can Hydrogen Electrolysers be Made in India?", Ministry of New and renewable Energy, September 2024. <https://www.ceew.in/sites/default/files/how-can-india-indigenise-and-boost-domestic-hydrogen-electrolyser-manufacturing.pdf>

STRATEGIC ENABLERS FOR IMEC-LINKED INDUSTRIALISATION

19. The preceding recommendations address the traditional determinants of manufacturing competitiveness. Important though they are, they are not sufficient by themselves to secure the scale of investment required for IMEC. The corridor's success will ultimately depend upon whether India can offer investors a proposition that extends beyond conventional investment promotion and addresses the specific requirements of a trans-regional manufacturing and connectivity architecture. Three additional areas warrant particular attention: cross-border financial settlement mechanisms, long-term infrastructure financing structures, and the development of a workforce aligned to the advanced manufacturing sectors the corridor is intended to serve.

20. The recommendations below are not intended to be exhaustive. Other issues, including intellectual property protection, digital interoperability, and defence-industrial cooperation, will also influence corridor development. The focus here is on those measures judged most likely to generate economy-wide effects across the corridor's manufacturing and investment ecosystem.

21. **Develop an IMEC Financial Settlement Architecture.** The India-UAE Local Currency Settlement mechanism established in 2023¹¹⁷ represents an important foundation but remains insufficient for the scale of investment and trade flows envisioned under IMEC. Manufacturing investment linked to the corridor will increasingly involve Gulf sovereign wealth funds, Indian manufacturing entities, European technology providers, and cross-border supply chains operating simultaneously across multiple jurisdictions. A dedicated IMEC Financial Settlement Architecture should therefore be developed jointly by the Reserve Bank of India and the Central Bank of the UAE, with provisions for subsequent participation by other corridor members. The objective should be to facilitate investment, trade, dividend repatriation, and supply-chain transactions through streamlined settlement mechanisms that progressively reduce transaction costs and dependence on third-country financial intermediation. Such an arrangement would represent a practical institutional enabler of corridor-linked investment and enhance the economic integration that IMEC seeks to generate.

22. **Establish an IMEC Corridor Bond and Credit Enhancement Mechanism.** Large-scale corridor development will require financing structures that extend beyond equity participation by sovereign wealth funds and multilateral institutions. Rail infrastructure, industrial zones, logistics facilities, energy networks, and digital infrastructure all require access to long-tenure debt at commercially sustainable rates. India should therefore advocate the establishment of an IMEC Corridor Bond Framework supported by a partial credit enhancement mechanism involving participating governments, multilateral development institutions, and sovereign investment entities. Such a mechanism would reduce financing costs, improve bankability, and expand the pool of institutional investors willing to participate in corridor-linked infrastructure. The objective is not merely to fund individual projects, but to create a dedicated financing architecture capable of supporting the corridor's long-term development across multiple jurisdictions.

¹¹⁷ PIB, "Prime Minister's Visit to the UAE", PMO, 15 May 2026.

<https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2261611®=3&lang=1>

Also see: BFSI Network, "Rupee-Dirham Deal: A New Era in India-UAE Trade Relations", Banking Finance, 06 October 2024. <https://bfsi.eletsonline.com/rupee-dirham-deal-a-new-era-in-india-uae-trade-relations/>

23. **Establish an IMEC Manufacturing Skills Construct.** The sectors most likely to benefit from IMEC - pharmaceuticals, advanced manufacturing, automotive components, aerospace systems, semiconductor assembly, and clean-energy equipment, require specialised technical skills that cannot be assumed to exist at the scale future investment may demand. India's demographic advantage will translate into manufacturing competitiveness only if workforce development keeps pace with industrial expansion. An IMEC Manufacturing Skills Construct should therefore be established linking corridor-related investors with Industrial Training Institutes, technical universities, and state-level skill development agencies. Participating investors should be encouraged to co-design training programmes aligned to their operational requirements, while public authorities provide institutional support and matching capacity-building initiatives (akin to Viet Nam reaching out to Samsung for assistance in training semiconductor engineers).¹¹⁸ The objective is to ensure that workforce availability becomes a competitive advantage for corridor-linked manufacturing rather than a future constraint upon it.

CONCLUSION

24. The recommendations set out in this Appendix are intended to be mutually reinforcing rather than standalone interventions. The foundational requirements address the traditional determinants of manufacturing competitiveness, while the strategic enablers seek to create the financial, institutional, and human-capital architecture necessary for a corridor of IMEC's scale and ambition. Together, they are designed to convert India's geographic position, market scale, and industrial potential into a durable competitive advantage within the emerging Eurasian-Indo-Pacific economic system. The opportunity created by IMEC will not be realised through infrastructure alone. It will be realised through the ability to translate prospective connectivity into investment, investment into productive capacity, and productive capacity into sustained economic integration across the corridor.

25. The bottom line is straightforward: India must provide an attractive package of incentives and create an investment proposition so compelling that capital associated with the corridor views India not as one option among many, but as the logical destination for manufacturing-linked foreign direct investment.

¹¹⁸ Thuy Duong, "Deputy PM calls for Samsung's assistance in training semiconductor engineers", SOCIALIST REPUBLIC OF VIET NAM; Government News, 05 March 2024. <https://en.baochinhphu.vn/deputy-pm-calls-for-samsungs-assistance-in-training-semiconductor-engineers-111240305165344167.htm>