The new "Golden Road": implementing the IMEC amidst geopolitical upheavals

The India-Middle East-Europe Economic Corridor: an innovative pathway to greener and smart prosperity - and economic security

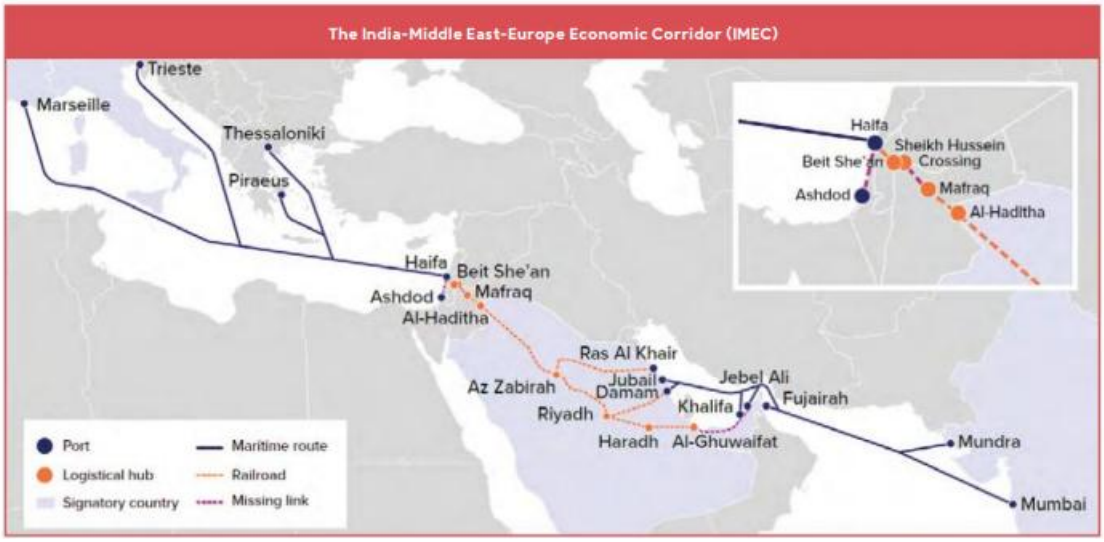
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The war in Iran, the interruption of maritime navigation in the Strait of Hormuz, and the persistent threat from the Houthis to reignite hostilities in the Red Sea have a considerable and potentially long-term impact in the aluminium industry. This new regional conflict and chronic crises in the wider Middle East are additional and very strong reasons to accelerate the implementation of the India-Middle East-Europe Economic Corridor (IMEC). This is not only a major geoeconomic project, it is also an issue of strategic resilience and of economic security. A much stronger political ambition and institutional coordination on the IMEC are urgent.

The benefits for the aluminum industry

The IMEC matters a lot for the aluminium industry, in different and complementary ways:



• trade: as a new trade route with land bridge segments through Saudi Arabia, Israël and Jordan, connecting the Indo-Pacific and the Persian Gulf to the Mediterranean Sea, the IMEC will become a game-changer in terms of economic security and strategic autonomy

that directly benefits aluminium players from all its member countries and their neighbours, because exports of primary and secondary aluminium, imports of alumina, trade flows in goods and machinery, will operate with high safety and security standards and levels. The new IMEC trade routes will be shorter, cost-effective, fluid and sustainable.

• prosperity: the IMEC will represent tens if not hundreds of billions of investments and of increased trade business across several continents, including the East Africa dimension, and will generate a huge number of skilled jobs. Furthermore, through existing and new free trade and investment agreements, such as those under negotiation between the EU and the UAE and India, and by IMEC countries themselves with other trade partners, the IMEC will both benefit from and foster a trade and investment expansion that will translate into a macro economic stimulus. This is significant for our industry, as the EU, the GCC and India are three leading worldwide aluminium industrial hubs and markets.

• aluminium demand: the IMEC will in itself boost aluminium consumption and therefore will generate contracts for aluminium producers, transformers and end users, because of the use of this metal in the massive infrastructure and transport elements of the Corridor, in submarine cables, electrical equipments, railway and trains, etc. The IMEC being a multimodal and multimodal economic corridor with a major digital dimension, aluminium consumption will be also stimulated by the huge investments of the IMEC countries in digital connectivity, data centres and related electricity infrastructure, including solar panels.

• IMEC, the New Nuclear and aluminium: Civil nuclear energy, as already stressed by FACE, the Federation of Aluminium Consumers in Europe, and in particular what we call the "New Nuclear", small modular and micro reactors, and the equipment they need, are also strategic for the aluminium sector, as its deployment will increase aluminium use but, above all, will foster competitive and decarbonised primary aluminium production and even lower carbon and cheaper recycling in all IMEC countries. Let’s imagine smelters powered by SMRs : that could be the renaissance of aluminium production in Europe - and a key factor of strategic resilience. The same apply for the acute hydric stress in the MENA region and notably in the GCC: small modular and micro reactors can power desalination plants everywhere and deliver water security for the region. That would also imply aluminium use for the related equipments.

IMEC, a green and digital bridge across continents and cultures

At a time of fragmentation of the international system and rising, multi-dimensional, conflictualities, the IMEC, with its plurilateral dynamic, represents a once in a lifetime and a not to miss opportunity to foster green prosperity, connectivity, stabilization, socioeconomic progress, intercultural exchanges and strategic resilience.

The IMEC's promise is threefold:

• strengthened economic security

• expanded international trade

• a stimulus for sustainable prosperity

In September 2023, at the G20 Summit in New Delhi, India, this ambitious initiative was announced: the “India-Middle East-Europe Corridor” (IMEC), an economic corridor that

aims to connect India, the Middle East, and Europe through advanced transport and energy infrastructure and strengthen cooperation in trade, economy, energy, and security among all partner countries.

The initial signatories of the IMEC were India, the United States, the United Arab Emirates, Saudi Arabia, France, Germany, Italy, and the European Union. European Union Commission President Ursula von der Leyen said the corridor "is more than 'just' a railway or a cable car; it is a green and digital bridge across continents and cultures." This mega-project is in fact a geoeconomic network of infrastructures and connectivities, a network of corridors and gateways rather than a single artery.

One thing is imperative: geopolitical contexts should not delay the start of the phased and multi-segments implementation of the IMEC. Economic diversity, macro-economic stimuli and trade diversification are all urgently needed in the current polycrisis and tense contexts affecting all IMEC-related States. Therefore, it is our strong belief that the short-term and doable components of the IMEC must be quickly materialized.

First, because the deployment of various IMEC components such as railway sections, industrial free zones, port expansions, digital infrastructure, green energy distribution, will have by themselves a transformational effect that can help foster changes conductive to facilitating diplomacy and regional stabilization, including, in the longer term, peaceful coexistence; but the longer term is always conditioned by short term decisions and actions.

Secondly, because history and experience teach us that grand visions and big projects, if not immediately supported by political will and perseverance, institutionalization and branding, funding tools such as a development bank or a joint sovereign fund, a dedicated secretariat and technocracy, and a public communication fostering social adherence, tend inevitably to evaporate. We must have the ambition to foster implementation-oriented IMEC frameworks, as new drivers of growth, deepened regional integration, inter-regional cooperation, smart and sustainable development and connectivity-driven innovations.

More than a transport corridor, the IMEC is a strategic backbone for integration and transformation, open to all partners and investors who seek growth, innovation and shared prosperity. Properly implemented, it can play a decisive role in fostering stability and peace in a region that urgently needs both. At a moment when the world faces fragmentation, upheaval, and existential challenges, but also unprecedented opportunities, the IMEC offers a once-in-a-generation promise. Its modular, multi-phased design means that concrete projects can be launched rapidly, creating immediate impact while the broader vision unfolds, and amplifies its transformative power.

The IMEC is an historic, innovative, infrastructural and connectivity pathway for a more prosperous, sustainable and secure future for India, the MENA region, Europe, and the world.


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