IMEC and the Future of Regional Integration

A Policy Note on Connectivity, Resilience, and Regional Integration

Policy Paper for Diplomats Attending a MENA2050 Briefing at the Swiss Ambassador's Residence in Israel, 27 May 2026

Professor Shlomo Hasson, The Hebrew University, MENA2050[1]

Executive Summary

This paper argues that IMEC is evolving beyond its original conception as a transportation corridor into an emerging geoeconomic system integrating transport, energy, digital infrastructure, industrial development, and regional coordination. It examines the strategic importance of IMEC in an era of geopolitical fragmentation and supply-chain vulnerability, explores its potential contribution to economic development and regional stabilization, and situates the initiative within a broader interconnected corridor architecture. The paper concludes that IMEC's future success will depend on effective government leadership, regional coordination, trusted digital systems, and the ability to balance cooperation and competition among multiple connectivity initiatives.

Introduction: From Globalization to Geoeconomic Corridors

The Memorandum of Understanding signed at the G20 Summit in New Delhi in September 2023 presented IMEC as a multimodal connectivity corridor designed to facilitate trade, logistics, energy flows, and digital links between India, the Middle East, and Europe. While this vision remains at the core of the initiative, the dynamics surrounding IMEC increasingly suggest a broader transformation. This paper argues that IMEC is evolving from a transportation and connectivity project into an emerging geoeconomic system whose significance lies not only in moving goods, energy, and data,

[1] An earlier version of this paper was presented at a meeting of Ambassadors and Senior Decision-Makers hosted by the Swiss Ambassador to Israel at the Swiss Ambassador's Residence, 27 May 2026. The current version reflects subsequent revisions and developments.

but also in fostering economic development, regional integration, resilience, and new forms of strategic interdependence.

At present, IMEC remains an evolving strategic vision with enormous transformative potential that has not yet been fully realized. Many of its critical components, including full rail integration, customs harmonization, digital interoperability, financing mechanisms, and coordinated governance structures, remain under development. At the same time, important implementation steps have already begun to materialize. Several participating states have launched major infrastructure upgrades, railway construction, digital trade platforms, and bilateral coordination mechanisms aligned with the corridor's broader objectives. As a result, IMEC should no longer be viewed solely as a conceptual initiative, but rather as an emerging and unevenly developing regional architecture whose geopolitical and economic logic is becoming increasingly compelling.

Since 2025, progress has become visible across three main dimensions: physical infrastructure, digital connectivity, and institutional coordination. The UAE has completed major segments of its railway integration through Etihad Rail and expanded the capacities of Jebel Ali and Khalifa ports. Saudi Arabia has accelerated railway planning within the GCC framework while positioning itself as the central logistical hub of the corridor. Mediterranean gateway terminals in Trieste and Marseille are undergoing logistical upgrades to strengthen connections with European rail systems. In parallel, India and the UAE have operationalized a digital trade corridor aimed at harmonizing customs and logistics procedures, while regional investments in AI logistics platforms, data centers, and energy connectivity increasingly serve as the corridor's emerging digital backbone. Diplomatic momentum has also intensified through the appointment of special envoys and new bilateral strategic partnerships supporting IMEC-related cooperation.

Simultaneously, the geopolitical and economic logic driving the initiative is becoming increasingly compelling. We are living through a period of profound transformation in the global order. The previous phase of globalization was built primarily around maritime trade routes, liberalized markets, global supply chains, and the pursuit of efficiency. For decades, the assumption prevailed that economic interdependence and uninterrupted maritime commerce would provide the foundation for global stability.

That world is now under increasing stress. The war in Ukraine, instability in the Red Sea, tensions surrounding the Strait of Hormuz, technological rivalry, and growing geopolitical fragmentation have exposed the vulnerability of existing global systems. Governments and markets increasingly recognize that efficiency alone is no longer sufficient. The organizing principles of the emerging era are becoming resilience, diversification, redundancy, and continuity under disruption. Globalization is not disappearing but transforming. Alongside the maritime and supply-

chain architecture of Globalization 1.0, a new form of corridor-based globalization is emerging. This emerging Globalization 2.0 is characterized by resilience, redundancy, strategic diversification, digital connectivity, and increasingly interconnected geoeconomic architectures.

It is within this broader transformation that IMEC must be understood. More than a transportation route linking India, the Middle East, and Europe, IMEC reflects the emergence of corridor-based geoeconomic systems that integrate transportation, energy, digital connectivity, industrial development, and finance. As geopolitical fragmentation deepens and traditional models of regional integration face growing constraints, corridors are becoming a new organizing principle of the global economy. Their significance lies not only in facilitating the movement of goods, energy, and data, but also in fostering economic development, regional resilience, and strategic cooperation. In this sense, IMEC represents not merely a connectivity initiative, but a potential platform for development, stability, and shared prosperity across the Middle East and beyond.

IMEC as a Strategic Resilience Corridor

Recent regional developments have accelerated the strategic importance of IMEC dramatically. The confrontation involving Iran, Israel, and the United States has demonstrated how vulnerable existing maritime chokepoints remain. The Strait of Hormuz and the Red Sea continue to represent strategic bottlenecks whose disruption can rapidly affect global trade, energy markets, and supply chains.

At the same time, the meaning of sovereignty itself is evolving. States are increasingly judged not only by military power or territorial control, but also by their capacity to maintain functionality under stress: to preserve trade flows, sustain logistics systems, protect digital infrastructures, secure energy supplies, and ensure institutional continuity during crises. Infrastructure itself is increasingly becoming both a strategic asset and a strategic vulnerability. In an interconnected world, resilience and connectivity have become components of national sovereignty.

Against this backdrop, IMEC is gradually evolving from a transport initiative into a broader resilience architecture designed to diversify regional connectivity and reduce dependence on vulnerable chokepoints.

IMEC as an Economic and Trade Corridor

An important practical question immediately arises: why should a hybrid maritime–land bridge corridor be economically preferable to a traditional maritime route through the Suez Canal?

The answer is that IMEC is unlikely to replace the Suez Canal either for bulk maritime trade or for the majority of containerized shipping. Maritime transport through Suez will remain structurally cheaper and more efficient for most heavy, low-value cargo such as oil, gas, raw materials, grain, and bulk commodities. At the same time, even though a substantial share of Suez traffic consists of containerized manufactured goods, maritime shipping will continue to maintain significant economic advantages for many standard container flows due to the massive scale economies of ultra-large container vessels and the relatively low cost of uninterrupted sea transport.

IMEC's comparative advantage therefore lies not in replacing existing maritime systems, but in complementing them. Its strategic and economic rationale is strongest in selected categories of higher-value, time-sensitive, resilience-oriented, and geopolitically diversified trade, where reduced transit times, supply-chain reliability, and alternative routing capabilities may outweigh the additional logistical complexity of multimodal transport, for example: pharmaceuticals, semiconductors, electronics, auto components, advanced machinery, AI infrastructure, defense-related industrial supply chains, and premium or time-sensitive goods.

IMEC's advantages stem from several factors. First, IMEC reduces strategic dependence on vulnerable maritime chokepoints. The disruptions in the Red Sea over the past two years have demonstrated how quickly shipping costs, insurance premiums, and delivery times can rise when maritime routes become unstable.

Second, IMEC may generate important time savings for selected categories of cargo. Estimates suggest that under efficient operational conditions, multimodal transport systems combining maritime shipping with integrated rail systems may reduce transit times between India and Europe by approximately 30 to 40 percent for certain goods.

For high-value products, time itself carries significant economic value. A container carrying goods worth approximately $100,000 may save roughly $700 in financing and inventory costs if transit time is reduced by ten days. For more valuable cargo, including pharmaceuticals, electronics, precision machinery, and advanced industrial components, the economic savings can become substantially larger.

Third, and perhaps most importantly, IMEC creates opportunities for economic development inside the Middle East itself. Unlike purely maritime trade routes, corridors crossing the Gulf, Jordan, Israel, and the Eastern Mediterranean create possibilities for logistics hubs, industrial zones,

renewable energy projects, data centers, digital services, and regional manufacturing ecosystems.

In this sense, IMEC should not be viewed merely as a transportation corridor. It is potentially a development corridor.

IMEC and the Future of Regional Trade

Understanding what goods may actually move through IMEC is therefore essential. India is expected to export pharmaceuticals, chemicals, engineering products, machinery, auto parts, electronics, textiles, processed food, and digital services. The Gulf States currently export oil, gas, petrochemicals, fertilizers, plastics, and aluminium, but over time are expected to diversify toward hydrogen, renewable energy technologies, logistics services, digital infrastructure, and advanced industrial production.

Jordan may contribute phosphates, potash, fertilizers, pharmaceuticals, logistics services, and potentially green energy transmission. Israel's role is likely to center on high technology, cybersecurity, agri-tech, medical technologies, logistics, digital systems, and advanced services.

The long-term success of IMEC will therefore depend not only on exchanges among India, the Middle East, and Europe, but also on whether the corridor stimulates regional value chains and economic integration within the Middle East itself. The corridor's long-term viability will also depend on the development of industrial and logistics ecosystems along its route. Existing industrial clusters in the Gulf, Jordan, Israel, and the Eastern Mediterranean may gradually evolve into interconnected production and service networks linked to IMEC infrastructure. Industrial zones in northern Jordan, logistics hubs near Gulf ports, advanced manufacturing centers in Israel, and future reconstruction and industrial platforms associated with Gaza may all become part of a broader regional economic geography connected through corridor systems.

This point is particularly important because intra-regional trade within the Middle East remains among the lowest in the world compared to Europe or Asia. This raises a legitimate concern: could IMEC risk treating the Middle East merely as a transit bridge between India and Europe without generating meaningful internal development?

If IMEC functions only as a transit system, its political and economic sustainability may remain limited. Countries are unlikely to support large-scale infrastructure projects over the long term unless they generate tangible domestic benefits. For this reason, IMEC must evolve beyond simple transit logic and support industrial development, logistics services,

renewable energy systems, digital trade, employment generation, and cross-border economic cooperation.

The true success of IMEC should therefore not be measured solely by how rapidly goods move from India to Europe, but by how much economic value is created inside the Middle East itself.

IMEC as a Development and Stabilization Corridor

One possible illustration of how IMEC could evolve beyond a transit framework is the proposed Al Arish–Gaza–Sderot corridor linking Egypt, Gaza, and Israel within a broader Eastern Mediterranean connectivity system.

The Gaza Strip has long faced structural limitations in energy, water, logistics, employment, and industrial capacity. Reconstruction efforts disconnected from wider regional systems may therefore struggle to achieve long-term sustainability. The long-term viability of Gaza's reconstruction will depend not only on physical rebuilding but also on its integration into broader regional economic systems. A cross-border development framework connecting Gaza to both Egypt and Israel could create opportunities for industrial zones, logistics platforms, energy infrastructure, employment generation, and regional trade integration. In this context, the Al Arish–Gaza–Sderot framework seeks to position Gaza within a wider Eastern Mediterranean economic space, linking reconstruction, logistics, industrial development, trade, and regional cooperation.

In this sense, the Al Arish–Gaza–Sderot framework could serve as a pilot model demonstrating how corridors may evolve into platforms for economic recovery and regional cooperation rather than functioning solely as transit routes. More broadly, such initiatives reflect a larger strategic principle increasingly relevant to IMEC as a whole: corridors are becoming infrastructures not only of movement, but also of reconstruction, stabilization, and development.

IMEC and the Post-Oil Transformation of the Gulf

The future role of the Gulf States illustrates this transformation particularly clearly. Today, many of the region’s connectivity projects remain closely associated with hydrocarbons. This naturally raises concerns regarding the long-term relevance of such corridors in a world gradually transitioning toward green energy.

If IMEC remains centered primarily on oil and gas exports, its strategic importance may eventually decline. However, if the corridor evolves into a broader platform supporting renewable energy, hydrogen exports, advanced manufacturing, digital infrastructure, logistics services, artificial intelligence systems, and industrial diversification, then the global energy transition may actually strengthen the rationale for IMEC rather than weaken it.

The Gulf States are already investing heavily in post-oil economic transformation. IMEC could become one of the principal frameworks enabling this transition by linking Gulf capital, renewable energy production, industrial diversification, and digital systems to European, Indian, and wider Eurasian markets.

IMEC as an Emerging East–West Logistics System

The region is already witnessing the gradual emergence of practical connectivity patterns that may eventually support the corridor. Increased truck movements between Israel and Jordan illustrate how parts of a regional logistics system are already beginning to evolve incrementally, even before IMEC formally exists. Goods crossing these routes likely include machinery, chemicals, consumer products, industrial inputs, agricultural products, food items, and re-exported cargo arriving through Mediterranean ports.

Although current volumes remain modest relative to major global trade routes, such flows demonstrate the practical potential of future east–west connectivity systems. At the same time, the east–west land segment of IMEC is also the most politically sensitive component of the corridor. While from a purely economic and geographic perspective the route linking the Gulf, Jordan, Israel, and the Eastern Mediterranean may represent one of the shortest and most efficient connections between Asia and Europe, political realities remain considerably more complex. Jordan, Saudi Arabia, and Israel each face distinct domestic, regional, and strategic constraints that influence the pace and form of corridor development. In parallel, some regional actors are actively exploring alternative routes designed either to complement or partially bypass Israel in sectors such as transportation and digital connectivity. These dynamics illustrate that the future of IMEC will depend not only on economic efficiency, but also on the ability to manage political sensitivities and create mutually beneficial regional arrangements.

Yet they also highlight an important reality: physical infrastructure alone cannot produce integration. Efficient corridors require customs harmonization, trusted digital platforms, interoperable logistics systems,

real-time cargo tracking, cybersecurity coordination, and regulatory cooperation.

IMEC within an Interconnected Corridor Architecture

IMEC remains a distinct political and economic initiative. However, it increasingly operates within a broader interconnected corridor architecture involving Gulf logistics platforms, Iraq's Development Road, Eastern Mediterranean transport systems, North–South connectivity networks, energy interconnections, and emerging digital trade architectures. These interactions may involve both cooperation and competition, creating opportunities for complementarities while preserving the distinct political identities of individual corridor initiatives.

Rather than being organized around a single dominant route, the region is increasingly developing an interconnected corridor architecture composed of distinct yet interacting connectivity systems. This emerging architecture creates opportunities for cooperation, complementarity, and resilience, while simultaneously generating new challenges of coordination, interoperability, and competition. On one hand, multiple corridors strengthen resilience and diversification. On the other hand, the rapid proliferation of disconnected infrastructure projects may generate fragmented systems, duplicated investments, incompatible standards, and competition among regional hubs.

The challenge therefore is not simply to build infrastructure, but to coordinate infrastructure into coherent regional systems.

From Corridor Competition to Strategic Coordination

The emergence of an interconnected corridor architecture creates both significant opportunities and important challenges. Across the Middle East and beyond, multiple connectivity initiatives are advancing simultaneously, including IMEC, the Development Road, Gulf logistics platforms, North–South transport systems, energy interconnections, and emerging digital trade networks. Together, these initiatives have the potential to strengthen resilience, diversify trade routes, stimulate investment, and support economic development. At the same time, their growing number and complexity raise an important question: how can multiple corridors coexist in ways that generate synergies rather than fragmentation?

The challenge is not merely one of infrastructure construction. It is increasingly a challenge of coordination. Without effective mechanisms for cooperation, the proliferation of corridors may lead to duplicated investments, competing standards, fragmented logistics systems, and

rivalry among regional hubs. Connectivity alone does not automatically generate integration. In some circumstances, it may even deepen fragmentation if transportation systems, digital platforms, customs procedures, and investment strategies evolve in isolation from one another.

Political realities further complicate this picture. Although the economic rationale for many east–west and north–south connectivity systems appear compelling, corridor development continues to be shaped by competing strategic interests, domestic political sensitivities, unresolved conflicts, and broader geopolitical rivalries. Different states seek to maximize their own economic and strategic advantages, often by positioning themselves as preferred hubs within emerging regional networks. Competition among ports, logistics centers, digital gateways, and energy routes is therefore likely to remain a permanent feature of the regional landscape.

Additional constraints remain substantial. Financing requirements are enormous, while political uncertainty continues to affect long-term infrastructure investments. Rail interoperability, customs harmonization, digital integration, and cross-border governance systems remain incomplete throughout large parts of the region. Operational capacities are also uneven. Even major ports such as Haifa, Jebel Ali, Duqm, or Marseille cannot independently absorb the full scale of future corridor traffic. The success of IMEC and related initiatives will therefore depend on the development of distributed logistics ecosystems involving multiple ports, inland hubs, industrial zones, rail systems, energy networks, and digital platforms operating across several countries simultaneously.

These challenges do not diminish the strategic importance of IMEC. On the contrary, they reinforce the need to move from infrastructure development toward strategic coordination. As corridors evolve from transportation projects into broader geoeconomic systems, their success will increasingly depend on three interrelated dimensions: government leadership, regional coordination, and trusted digital integration.

First, the scale and complexity of corridor systems imply a central role for governments. Unlike conventional infrastructure projects, corridors require diplomatic agreements, customs harmonization, regulatory alignment, security coordination, and long-term strategic planning across multiple jurisdictions. Governments are therefore not merely financing infrastructure; they are increasingly responsible for coordinating transportation, energy, digital, security, and trade systems that operate across national borders. While private-sector investment and innovation remain indispensable, the strategic direction of major corridors will continue to be shaped primarily by public authorities.

Second, the region requires a broader framework of coordination capable of integrating multiple connectivity initiatives into a more coherent system. Such a framework should not seek to eliminate competition, which often stimulates innovation and efficiency, but rather to ensure interoperability and complementarity among different projects. This includes aligning investments, defining complementary roles for ports and logistics hubs, coordinating transportation and energy systems, and reducing destructive competition among parallel initiatives. The objective is not merely to connect territories, but to connect infrastructures, institutions, and economic systems operating under different political and regulatory environments.

Third, and perhaps most importantly, the future of corridor integration depends on the development of a trusted digital backbone. Physical infrastructure alone is no longer sufficient to sustain competitive connectivity systems. Interoperable customs platforms, AI-enabled logistics management, digital trade systems, trusted cross-border data spaces, cybersecurity cooperation, and real-time operational coordination are becoming essential components of modern corridors. The digital layer is therefore not an accessory to physical infrastructure; it is the operational nervous system that enables the seamless movement of goods, services, capital, energy, and information across borders.

At the same time, digital connectivity is itself becoming an arena of geopolitical competition. Competing digital infrastructures, submarine cable systems, cloud architectures, data localization policies, and cyber-governance frameworks are emerging across the region. Some actors are exploring digital routes that complement existing infrastructures, while others seek alternatives that reduce dependence on specific countries or platforms. These developments further reinforce the importance of trusted governance mechanisms and interoperable digital frameworks capable of operating across politically fragmented environments.

Ultimately, the future of IMEC and the wider corridor architecture will depend not only on the construction of roads, railways, ports, pipelines, and cables, but also on the ability to create systems of coordination capable of managing complexity, reducing geopolitical friction, and sustaining cooperation under conditions of uncertainty. The transition from corridor competition to strategic coordination may therefore become one of the defining challenges and opportunities of the emerging geoeconomic era.

Switzerland and the Governance of Connectivity

The growing complexity of cross-border corridors such as IMEC also raises the question of neutral governance platforms capable of facilitating coordination among diverse regional and international actors. In this context, Switzerland may possess several unique comparative advantages.

First, Switzerland has long played a central role in international governance, mediation, and institutional coordination. Geneva hosts key international organizations relevant to trade, telecommunications, standards, digital governance, and multilateral dialogue, including UNCTAD, the WTO, and the ITU. For a corridor spanning India, the Gulf, Israel, Jordan, and Europe, Geneva could potentially serve as a politically neutral coordination platform.

Second, Switzerland possesses important strengths in the field of trusted digital governance. As IMEC increasingly evolves toward a digitally integrated system, issues such as trusted data spaces, cyber governance, digital neutrality, and secure cross-border digital infrastructures become central. Swiss-based institutions and initiatives may provide valuable frameworks for building trusted digital layers acceptable to actors that may not fully trust one another's technological systems**.**

Third, Switzerland's role in trade finance, project finance, insurance, and political-risk management may become increasingly important for large-scale infrastructure development in politically sensitive environments. Financial institutions and insurance actors based in Zurich and Geneva may help reduce risk and facilitate investment across complex cross-border projects.

More broadly, Switzerland's longstanding engagement in regional dialogue and development cooperation may position it as a constructive facilitator in initiatives linking connectivity, reconstruction, stabilization, and regional cooperation. These characteristics may position Switzerland not only as a facilitator of dialogue, but also as a potential convener of cooperation among corridor stakeholders operating across complex geopolitical environments.

Conclusion: Corridors as a New Framework for Regional Integration

The significance of IMEC extends far beyond transportation infrastructure. It reflects a broader transformation in the organization of the global and regional economy. As the assumptions that underpinned earlier phases of globalization come under increasing pressure from geopolitical tensions,

supply-chain disruptions, technological competition, and growing concerns about resilience, new forms of connectivity are emerging. In this evolving environment, corridors are becoming more than routes for moving goods, energy, and data. They are increasingly evolving into platforms that organize economic development, strategic cooperation, regional resilience, and political stabilization.

IMEC illustrates this transformation particularly well. While originally conceived as a multimodal connectivity corridor linking India, the Middle East, and Europe, it is gradually developing into a broader geoeconomic system that integrates transportation networks, energy systems, digital infrastructures, industrial development, and cross-border cooperation. Its significance lies not only in connecting markets, but also in creating opportunities for regional value chains, economic diversification, technological innovation, and new forms of strategic interdependence.

At the same time, IMEC is not developing in isolation. It forms part of a wider and increasingly interconnected corridor architecture that includes Gulf logistics systems, the Development Road, North-South connectivity initiatives, energy interconnections, digital trade networks, and other emerging platforms across Eurasia and the Middle East. The future is therefore unlikely to be defined by a single dominant corridor. Rather, it will be shaped by a network of interacting connectivity systems that simultaneously cooperate, compete, and complement one another.

This reality presents both opportunities and challenges. Multiple corridors can enhance resilience, diversify routes, stimulate investment, and create new development opportunities. Yet without effective coordination they may also generate fragmentation, duplication, and geopolitical rivalry. The central challenge of the coming decade will therefore be to move from connectivity to coordination, from isolated infrastructure projects to integrated regional systems, and from corridor competition to corridor complementarity.

In this context, the ultimate contribution of IMEC may not lie solely in reducing transport times or creating alternative trade routes. Its broader significance may be its ability to demonstrate how connectivity can become a mechanism for economic development, reconstruction, stabilization, and cooperation in a region long characterized by fragmentation and conflict. Initiatives such as cross-border industrial zones, digital platforms, energy partnerships, and reconstruction frameworks illustrate how corridors can evolve into practical instruments for improving economic and social conditions while fostering mutually beneficial forms of regional engagement.

The broader lesson extends beyond the Middle East. In an increasingly interconnected yet fragmented world, corridors may emerge as one of the principal mechanisms through which regions pursue growth, resilience, and cooperation without requiring full political integration. They offer a flexible framework capable of connecting economies, infrastructures, and societies while respecting political diversity and national sovereignty.

If properly coordinated and supported by effective governance, trusted digital systems, and long-term strategic vision, corridors may become one of the defining institutions of the twenty-first century. Their greatest contribution may ultimately lie not in facilitating commerce alone, but in creating new pathways for development, stability, and cooperation across an increasingly complex global landscape.