

IMEEC: Boon for Logistics Sector

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IMEEC is a planned economic corridor that aims to bolster economic development by fostering connectivity and economic integration between Asia, the Persian Gulf and Europe through UAE, Saudi Arabia, Jordan, Israel and Greece.

On 10 Sep 23, the MoU was signed during the 2023 G20 New Delhi Summit by the Govt. of India, United States, UAE, Saudi Arabia, France, Germany, Italy and European Union.

The US President Joe Biden, Indian Prime Minister Shri Narendra Modi along with the Crown Prince and Prime Minister of Saudi Arabia Mohammad Bin Abdulazir Al Saud and President of European Commission Ursula Von der Leyen on Sep 9, 2023, announce the India Middle East Europe Economic Corridor to create a “better future” at the sideline of 18th G-20 Summit in New Delhi.

This is the first of its kind initiative on co-operation on connectivity and Infrastructure involving India, UAE, Saudi Arabia, EU, France, Italy, Germany and the USA.

The MoU directly challenges the China’s expansive Belt and Road Initiative (BRI) which seeks to establish trade and Infrastructure networks connecting Asia, Europe and Africa. The corridor would help to boost trade, transport, energy resources and improve digital connectivity.

Its genesis lies in a forum created nearly two years ago in October 2021 called I2U2 comprising India, Israel, UAE and US. The Saudi Arabia was later made part of grouping. Basically, it was Israel which suggested the Idea of connecting the region through railways during the I2U2 meetings. Part of the Idea was to use India’s expertise on such big infrastructure projects, especially railways.

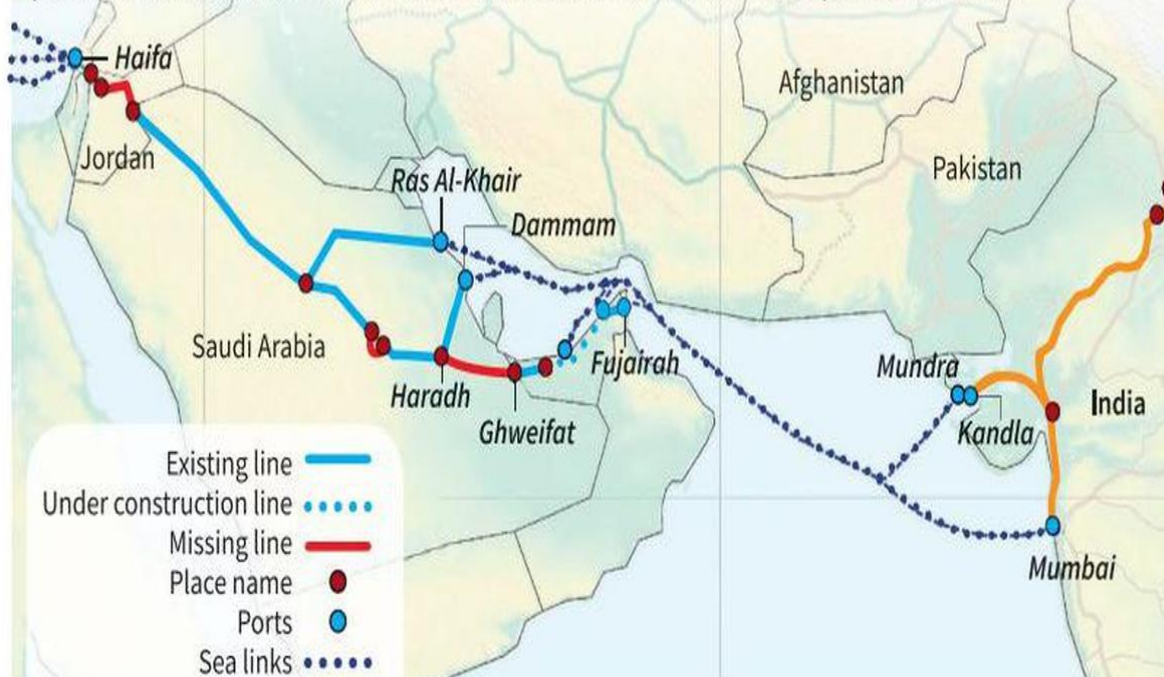
As it focuses on an increased integration of the Indian market with West Asia and Europe, the need of an efficient logistical system to improve regional connectivity and energy supply for such a vast corridor is ample.

It requires an efficient strategy to ensure the movement of goods, services and labour. The corridor connects all the major ports like JNPT, Kochi, Kandla and Mundra in west India and Fujairah, Jebel Ali, Ras Al-Khair, Dammam, Duqm and Salalah in the Gulf region.

Therefore, IMEC should be perceived as an opportunity to improve India’s logistics base as it aims for deep economic integration with Europe and West Asia.

Corridor trajectory

The map shows the multiple routes being considered for the India-Middle East-EU Corridor. Indian ports on the west coast of India could be connected to five shortlisted ports in West Asia



(Source: <https://www.thehindu.com/news/national/india-middle-east-eu-to-have-multiple-routes-but-hurdles-remain/article67315835.ece>)

In this topic, we will cover significance of IMEEC corridor for Indian and Saudi Arabia Logistics Infrastructure and will also cover the perspective of India and Saudi Arabia towards logistics infrastructure and also the initiatives taken by both the Government for the development the transportation infrastructures to improve the logistics environment.

Logistics is the process of planning and executing the efficient transportation and storage of goods from the point of origin to the point of consumption. The goal of logistics is to meet customer requirements in a timely, cost effective manner. *The 7R of Logistics i.e. Right Item at Right Place within Right Time in Right Quantity at Right Price to the Right Customer in Right Condition.* Logistics is one such industry that has been given a boost with significant investment and growth opportunities .

Significance of IMEEC for India and Saudi Arabia

For India's Logistics Infrastructure

The India-Middle East-Europe Economic Corridor (IMEEC) is poised to have a transformative impact on Indian Logistics Infrastructure. Here are key points highlighting its significance:

- (i) **Trade Link:** It creates a vital trade link connecting India with the Middle East and Europe which offers a more direct route for goods, reducing transit times and costs associated with long distance shipping.
- (ii) **Economic Growth:** Enhanced connectivity with the Middle East and Europe can stimulate trade and investment, fostering economic growth. Indian businesses will have better access to these markets, potentially increasing exports and attracting foreign investments.
- (iii) **Reduced dependency on traditional routes:** Diversifying trade routes enhances resilience against geopolitical risks and disruptions. The IMEEC reduces India's reliance on traditional maritime routes through the Suez Canal.
- (iv) **Enhanced Logistics Efficiency:** With the aim to integrate various modes of transportation, including shipping, rail and road, into a seamless logistics network, this multi-modal approach enhances the efficiency and reliability of supply chains.
- (v) **Infrastructure Development:** Establishing the IMEEC requires significant investments in port facilities, rail connections and road networks. This infrastructure development will boost regional connectivity within India and with its trading partners.
- (vi) **Geopolitical Influence:** By being a key player in the IMEEC, India strengthens its geopolitical standing and influence in the Middle East and Europe. This can lead to stronger diplomatic and economic ties.
- (vii) **Employment:** The development and operation of the IMEEC corridor will create numerous job opportunities in sectors such as construction, logistics and trade, contributing to socio-economic development.
- (viii) **Support for Make In India:** Enhanced trade connectivity supports the "Make in India" initiative by facilitating the export of Indian-manufactured goods. Improved logistics can make Indian products more competitive in the international markets.
- (ix) **Sustainable Transportation:** The IMEEC promotes the use of more efficient and sustainable transportation modes, potentially reducing the carbon footprint of trade between India, the Middle East and Europe.
- (x) **Resilience and Redundancy:** Establishing the IMEEC adds redundancy to global supply chains, making them more resilient to disruptions. This diversification is crucial for maintaining the stability of international trade.

For Saudi Arabia's Logistics Infrastructure

The IMEEC is significant for Saudi Arabia's Logistics infrastructure for several reasons:

- (i) **Geostrategic Positioning:** Saudi Arabia's strategic location between Asia, Africa and Europe makes it a crucial hub in the IMEEC. This enhances the Kingdom's role as a central node in global trade routes.
- (ii) **Economic Diversification:** Aligning with Saudi Arabia's Vision 2030, IMEEC supports the nation's efforts to diversify its economy beyond oil. The corridor boosts sector like logistics, transportation and trade.
- (iii) **Infrastructure Development:** The IMEEC prompts investments in ports, railways and highways within Saudi Arabia, improving connectivity and logistics efficiency. This infrastructure development enhances the Kingdom's ability to handle increased trade volumes.
- (iv) **Trade Facilitation:** By linking India, the Middle East and Europe, IMEEC facilitates faster and more cost-effective trade routes. Saudi Arabia stands to benefit from increased trade flow and reduced transportation costs.
- (v) **Foreign Investment:** The IMEEC attracts Foreign Direct Investment (FDI) into Saudi Arabia's logistics sector. Enhanced infrastructure and connectivity make the country more appealing to global investors.
- (vi) **Regional Leadership:** Participation in IMEEC bolsters Saudi Arabia's leadership role in regional economic initiatives, promoting collaboration and integration with neighbouring countries.
- (vii) **Technological Advancements:** The development of IMEEC incorporates advanced logistics technologies and smart infrastructure, positioning Saudi Arabia at the forefront of modern logistics practices.
- (viii) **Employment Opportunities:** Infrastructure projects associated with IMEEC create jobs, contributing to economic growth and social stability in Saudi Arabia.

LOGISTICS – Perspective of India and Saudi Arabia

Indian Perspective

" The Indian logistics sector is valued at USD\$ 354 billion, contributing 18.4 % of the country's GDP. With the easing of FDI norms, the proposed implementation of GST, increasing globalization, growth of e-commerce, positive changes in the regulatory policies, and government initiatives such as "Sagarmala", "Make in India", "Gati Shakti" the sector is expected to touch \$450 billion by 2026-2027. In the World Bank's Logistics performance ranking 2016, India's ranks 38 in 2023-2024. Out of this USD 150 billion logistics cost, almost 99% is accounted for by the unorganized sector (such as owners of less than 5 trucks, affiliated to a broker or a transport company, small warehouse operators, customs brokers, freight forwarders, etc.), and slightly more than 1%, i.e. approximately USD 1.5 billion, is contributed by the organized sector. However, the industry is growing at a fast pace and if India can bring down its logistics cost from 14% to 9% of the GDP (level in the US), savings to the tune of USD 50 billion will be realized at the current GDP level, making Indian goods more competitive in the global

market. Moreover, growth in the logistics sector would imply improved service delivery and customer satisfaction leading to the growth of export of Indian goods and potential for the creation of job opportunities." (Source: Logistics Skill Council)

Initiatives undertaken by the Govt of India for providing best of class logistics infrastructure are following:

PM Gatishakti- the initiative of India for integrated logistics strategy

- PM GatiShakti National Master Plan (NMP) was launched by Hon'ble Prime Minister on 13th October 2021
- Vision is to enable a mechanism for coordinated planning and provide bird's eye view of planned development to all the ministries for holistic and integrated development
- Brings together all the infrastructure ministries, other central ministries like MoEF&CC and State Authorities along with private players (DPR consultants) for coordinated planning on NMP Portal
- Facilitates integrated planning and implementation of infrastructure projects with focus on
- Improving logistics efficiency across the country through multi-modal transportation
- Fast paced and reduced cost of project implementation and land acquisition
- Economic growth and improvement in employment opportunities

The key guiding principles for implementation of PM GatiShakti followed by MoRT&H:

- Integrated Corridor
- Improved Connectivity
- Enhanced Multi-Modal Transportation
- Reduced Ecological Impact
- Expedited Clearances/ Land Acquisition
- Improved User Experience

Bharatmala Pariyojana

Under the guidance of Hon'ble Prime Minister, it was envisioned by MoRT&H to improve logistics efficiency by connecting economic nodes/ centers and bridging critical infrastructure gaps.

Network of ~34,800 km is being developed in Phase 1 out of which ~22,500 km is already awarded, and overall completion is planned by FY2027-28.

27 Greenfield Expressways and Access Controlled corridors with length ~9,800 km are being developed under Phase 1 including Delhi-Mumbai Expressway, Amritsar-Jamnagar Corridor, Bengaluru-Chennai Expressway, Raipur-Vishakhapatnam Corridor.

~2,000 km of projects are being developed to improve connectivity to border areas in Rajasthan, Punjab, Jammu & Kashmir, Uttarakhand, Uttar Pradesh, Bihar, Meghalaya, Mizoram, Tripura & Assam.

Additionally, ~8,200 km of Expressways and Access Controlled corridors are being planned under Bharatmala Pariyojana Phase IIA.

Multimodal Logistics Parks as a Solution

The development of MMLPs at strategic locations is envisaged as a key policy measure to rationalize cost of logistics in India and improve its competitiveness. The COVID-19 event has highlighted the need for greater

regionalization of the supply chain. The development of MMLPs at strategic locations in different regions can help in developing the supply chain in a more agile and crossfunctional way.

The MMLPs can provide (i) infrastructure for enabling seamless multimodal freight transfer; (ii) mechanized warehouses and specialized storage solutions such as cold storage; (iii) mechanized material handling and intermodal transfer container terminals, and bulk and break-bulk cargo terminals; (iv) value-added services such as customs clearance, bonded storage yards, quarantine zones, testing facilities, and warehousing management services; and (v) late-stage manufacturing activities such as kitting and final assembly, grading, sorting, labeling, and packaging activities, reworking, and returns management.

Furthermore, MMLPs could improve the utilization and performance of inland container depots (ICDs) and container freight stations where they exist. The Ministry of Road Transport and Highways (MORTH) estimates that logistics parks would drive about 10% reduction in transportation cost for the top 15 nodes by enabling freight movement on higher sized trucks and rail, which will also result in lower carbon dioxide emissions and less congestion in cities.⁵ Shifting warehouses and wholesale markets, currently inside the city, to logistics parks (driven by lower rentals) would reduce urban congestion.

In addition, modern and mechanized storage solutions provided by logistics parks would cut down storage and handling losses. According to MORTH, these MMLPs are expected to serve five key functions: freight aggregation and distribution, multimodal freight transport, integrated storage and warehousing, information technology support, and value-added service.

Case 1. The Dabaspete Multimodal Logistics Park

The 264-acre MMLP site proposed at Dabaspete is about 50 km from Bengaluru and 25 km from Tumkur with access to Niduvanda and Hirehalli railway stations. It is surrounded by large manufacturing clusters. Tumkur is one of the nodes along the Chennai–Bengaluru Industrial Corridor. Supply Assessment of the organized facilities, the major container handling facility in the region is ICD of the Container Corporation of India (CONCOR), which handles 112,941 Twenty-Foot Equivalent Units (TEUs) of container traffic annually (FY2017), with the containers transported through rail. The CONCOR ICD caters to industrial centers in the districts of Bengaluru Rural and Bengaluru Urban including Peenya, Jigani, Mysore Road, Electronic City, Malur, Dabaspete, and Bommasandra. The facilities are clustered around the Whitefield area, leading to congestion and logistical challenges. The tariff structure of the existing facilities shows high storage costs as they are located within the city.

Key infrastructure projects that have been prioritized for the success of the Dabaspete MMLP include the Bengaluru–Chennai Expressway, Satellite Town Ring Road, a railway spur to the Hirehalli Railway Station, a Tumkur–Rayadurg rail connection, and a Tumkur–Davangere rail connection.

The development of the MMLP is proposed over two phases: • Phase I entailing the development of about 125 acres to cater to the traffic projections till 2025, and • Phase II entailing the development of 148 acres to meet the requirements and market dynamics envisaged in 2035.

Case 2. Jogighopa Multimodal Logistics Park

Assam is an industrialized state and a major consumption hub of the northeast region of India with 70% of the region's population. Guwahati is its existing logistics hub and Dispur, a region within Guwahati, the state capital. The MMLP site proposed is located close to Jogighopa, about 150 km from Guwahati.

The only container handling facility in the region, ICD Amingaon, handled 4,808 TEUs of container traffic in FY2017, catering to industries across Assam, Tripura, and Meghalaya. The other facilities that handle bulk–break

bulk cargo include those run by the Central Warehousing Corporation, Assam State Warehousing Corporation, and the Indian Railways Goods Sheds. The tariffs of warehousing facilities in Guwahati are higher on average than those in other parts of Assam, including Jorhat, Sorbhog, and Dhubri. Key infrastructure projects prioritized for the success of the Jogighopa MMLP include the widening of National Highway 17 (NH-17) between Goalpara and Guwahati, the doubling of the New Bongaigaon–Goalpara–Guwahati Railway Line, a new railway line from Jogighopa to Gauripur, the re-development of Jogighopa River Port as an all-weather port, and an interchange to allow for the connection of NH-17 (including a port connection) to the MMLP over the railway line.

The development of the MMLP is proposed in two phases:

- **Phase I** entailing the development of about 61 acres to cater to the traffic projections till 2025, and
- **Phase II** entailing the development of 39 acres to meet the requirements and market dynamics envisaged in 2035.

Dholera (A probable region for future MMLP)

Gujarat is a state along the western coast of India. Its coastline of about 1600 kms (990 mi) is the longest in the country. Its port handle around 40% of India's ocean cargo, with Mundra Port located in Gulf of Kutch being the largest port of India cargo handled (144 million tons). It is regarded as one of the most industrialized states and has low unemployment rate. The economy of Gujarat is the fourth largest in India. Gujarat has the highest exports of all states, accounting for around one-third of national exports.

Dholera with its strategic location in the region i.e. Around 100 kms from Ahmedabad, 69 kms from Bhavnagar Port, has a vision to create an Economically and Socially Balanced new age Greenfield Smart Industrial City with world class infrastructure. The mission for Dholera is:

- (i) To be a Global Manufacturing Hub
- (ii) To adopt a Sustainable Approach across Key Components to create a New Era Smart City.
- (iii) Create Employment opportunities for skilled and unskilled workforce.
- (iv) To promote Ease of Doing Business to create a Business friendly environment.

Due to the longest coastline in the country, Gujarat has the vast facility of Marine time economy and many big ports having container handling facilities. Dholera may be termed as a linked or centered place for the MMLP due to its location (near to various larger ports i.e. Bhavnagar, Mumbai, Kandla, Mundra etc) . Dholera is already in under process of developing as a smart investment region (SIR) and having greater facilities for developing it as a MMLP, if planned in future.

Saudi Arabian Perspective

Trade and transport have always played a key role in the growth and development of the Middle East. Throughout history, the region has been regarded as an important hub for cross-continent trade, connecting Asia, Europe and Africa. The region's location along the Persian Gulf and the Red Sea ensures maritime trade as well. Today, governments in the Middle East, led by the Kingdom of Saudi Arabia (KSA) and the United Arab Emirates (UAE), are expanding their logistics capabilities to offer an integrated setup encompassing ocean, air and inland transportation along with warehousing and digital systems, in a bid to make the region a key logistics hub for international trade.

The Saudi Arabian logistics market is revving its engines for a dynamic journey, fueled by the ambitious national blueprint of Vision 2030 and a rapidly diversifying economy. Ken Research's insightful report, Saudi Arabia

Logistics Market Analysis to 2028: Charting the Course for Success, delves into this ever-evolving landscape, projecting a robust 7.8% CAGR over the next five years. This press release summarizes the key findings and offers valuable insights for investors, logistics companies, and stakeholders seeking to capitalize on this flourishing market.

Several key factors are propelling the Saudi Arabian logistics market towards a prosperous future:

- **Vision 2030: A Roadmap for Growth**: The government's ambitious Vision 2030 plan prioritizes the development of the logistics sector, creating a conducive environment for growth through investments in infrastructure, technology, and human capital. This translates to opportunities across the entire logistics ecosystem, from port expansion and multimodal connectivity to the adoption of cutting-edge technologies like blockchain and automation.
- **Economic Diversification: Shifting Gears**: The Kingdom's strategic shift away from oil dependence is leading to increased non-oil trade, boosting demand for efficient and reliable logistics solutions. This diversification, encompassing sectors like manufacturing, tourism, and e-commerce, is creating diverse logistics requirements, opening up doors for specialized services and niche players.
- **E-commerce Boom: Delivering on Convenience**: The exponential growth of e-commerce in Saudi Arabia is driving the demand for fast, efficient, and cost-effective delivery services. This presents a significant opportunity for logistics companies to adapt their offerings to cater to the needs of e-commerce players, including same-day delivery, robust warehousing solutions, and reverse logistics capabilities.
- **Mega Projects: Building the Future**: Major infrastructure projects like NEOM and the Red Sea Development are creating exciting new logistics opportunities. These giga-projects require the movement of vast quantities of materials, equipment, and personnel, driving demand for specialized logistics services and innovative solutions.

Vision for an international integrated logistics hub in Saudi Arabia

The shift towards diversifying industries beyond oil is exemplified by Saudi Vision 2030. This comprehensive plan emphasizes the optimization of processes, liberalization of markets, privatization initiatives, infrastructure upgrades, establishment of new free economic zones, and governance and regulatory reforms. The enhancement of Saudi's logistics capabilities is seen as pivotal to realizing Vision 2030's objectives, laying the groundwork for infrastructural development and the creation of multiple economic zones. According to a YCP Solidiance whitepaper, the value of Saudi Arabia's logistics market reached USD 27.6 billion in 2020, the highest among the Middle East, North Africa (MENA), and the Gulf Cooperation Council (GCC) regions. This market is projected to grow to USD 38.8 billion by 2026, with a compound annual growth rate (CAGR) of 5.85%.

The IMEC comprises of an Eastern Corridor connecting India to the Gulf region and a Northern Corridor connecting the Gulf region to Europe. It will include a railway and ship-rail transit network and road transport routes (multi-model transportation corridor).

A memorandum of understanding would be inked to "explore a shipping and rail transportation that will enable the flow of commerce, energy and data from here in India across the Middle East to Europe," said Jon Finer, US Deputy National Security Advisor. Further he also added "First, it is not just the Railway project, it is shipping and Railway project and it is important for people to understand how expansive, ambitious and ground-breaking this will be,".

The plan aims to integrate railway routes and port linkages, spanning from India to Europe, traversing through the United Arab Emirates, Saudi Arabia, Jordan, and Israel. According to a European Commission representative, this integration will expedite the movement of goods across these regions. Furthermore, the initiative will focus on the advancement of energy infrastructure, facilitating the production and transportation of environmentally-friendly green hydrogen to all participating nations.

IMEC is not the first initiative undertaken by Govt of India with other countries for the multi modal transportation. INSTC was also the project initiated by Govt of India for the purpose of promoting transportation cooperation among the member states.

INSTC

International North-South Transport Corridor (INSTC), is a multi modal transportation established in 12 SEP 2000 in St. Petersburg, by Iran, Russia and India for the purpose of promoting transportation cooperation among the Member States. This corridor connects Indian Ocean and Persian Gulf to the Caspian Sea via Islamic republic of Iran, then is connected to St. Petersburg and North European via Russian Federation. The INSTC was expanded to include eleven new members, namely: Republic of Azerbaijan, Republic of Armenia, Republic of Kazakhstan, Kyrgyz Republic, Republic of Tajikistan, Republic of Turkey, Republic of Ukraine, Republic of Belarus, Oman, Syria, Bulgaria (Observer).

As we were working out on the benefits of IMEEC in logistics sectors but on the other sides i.e. hurdles in this ambitious project can't be ignored.

Logistics, missing rail lines and coordinating policy among numerous countries with disparate interests are major challenges In the India-Middle East-Europe Economic Corridor (IMEC), said Deepak Sood, Secretary General, Assocham in an interaction with BW Businessworld.

In the recently held G20 summit in New Delhi, India along with Saudi Arabia, the United States (US) and the European Union (EU) unveiled the IMEC, a project that aims to bolster development by fostering connectivity and economic integration between these regions along with strengthen food security and streamline supply chains. This project's completion confronts various hurdles. Estimating and receiving appropriate funding for the project's development, operation, and upkeep are also significant problems.

The IMEC is a pioneering idea that emerged from the G20 summit in Delhi, India. This ambitious project, part of the partnership for global infrastructure and investment, aims to connect ports in India, the Middle East and Europe with a comprehensive transport network. IMEC seeks to improve transportation efficiency, minimise prices, promote economic unity, create jobs and reduce greenhouse gas emissions. If implemented properly, IMEC has the potential to alter the integration of Asia, Europe and the Middle East by facilitating trade and connectivity on an unprecedented scale.

- **Requirement of a well co-ordinated plan to fulfil this major initiative.** Fulfilling the IMEC objective requires thorough planning and coordination. Coordinated efforts are required to overcome logistical issues spanning train, road, and maritime routes across various countries. Completing lost rail linkages in the Middle East necessitates considerable building efforts and expenditure. Effective coordination among varied countries, each with its own set of interests and legislation, is critical. Addressing potential objections from existing channels, such as the Suez Canal, takes diplomatic skill. Furthermore, securing large funds for development, estimated between USD 3 billion and USD 8 billion per route, is a critical hurdle that necessitates creative financing options.
- **The changing geopolitical scenario.** This project's completion confronts various hurdles. Logistics and connection difficulties involve meticulous planning, but missing rail lines necessitate significant development and expenditure. Coordinating policy among numerous countries with disparate interests, as well as overcoming potential objections from existing routes, such as Egypt's Suez Canal, are key challenges. Estimating and receiving appropriate funding for the project's development, operation, and upkeep are also significant problems.
- **A direct competition to China's humongous One Belt One Road initiative.** While the objectives of the IMEC are comparable to those of China's One Belt One Road Initiative, it also represents an alternate strategy. Both initiatives seek to improve global connectivity and trade. IMEC, on the other hand, emphasises values-driven, high-impact, and transparent infrastructure collaboration, which may resolve concerns about local needs and environmental effects.

Furthermore, the IMEC's work with BRI countries, combined with China's economic challenges, points to a dynamic picture in which healthy rivalry and cooperate on can coexist, creating different prospects for global trade and connection.

Other than above, the India-Middle East-Europe Economic Corridor (IMEEC) faces several hurdles that India and Saudi Arabia need to address to ensure its success:

For India:

1. **Infrastructure Development:** India needs significant investments to upgrade its infrastructure, including ports, railways, and highways, to match the standards required for the IMEEC. - *Bottlenecks in logistics and transportation infrastructure can slow down progress.*
2. **Bureaucratic and Regulatory Challenges:** India's complex regulatory environment can create delays in project approvals and implementation. - *Ensuring smooth coordination among various governmental agencies is essential.*
3. **Financial Constraints:** Securing adequate funding for the large-scale infrastructure projects required by the IMEEC is a major challenge. - *Attracting private sector investment and managing public-private partnerships effectively are critical.*
4. **Geopolitical Tensions:** Regional geopolitical issues, including tensions with neighbouring countries, can impact the stability and security of trade routes. - *Ensuring a stable and secure environment for trade is necessary.*
5. **Technological Integration:** Integrating advanced logistics technologies and ensuring interoperability across the corridor can be challenging. - *Investing in technology and training is essential to modernize logistics practices.*

For Saudi Arabia:

- (i) **Economic Diversification:** While the IMEEC supports diversification, Saudi Arabia's heavy reliance on oil revenues can pose financial risks. - *Balancing investments in IMEEC projects with other economic priorities is crucial.*
- (ii) **Infrastructure Modernization:** Saudi Arabia needs to continue investing in and upgrading its logistics infrastructure to handle increased trade volumes. - *Ensuring timely completion of infrastructure projects is a challenge.*
- (iii) **Regulatory Reforms:** Streamlining regulatory processes and creating a business-friendly environment are essential to attract foreign investment. - *Addressing any bureaucratic inefficiencies can facilitate smoother project implementation.*
- (iv) **Regional Stability:** The Middle East region faces political instability and security concerns, which can affect trade routes and project execution. - *Ensuring regional cooperation and stability is vital for the corridor's success.*
- (v) **Human Capital Development:** Developing a skilled workforce to manage and operate advanced logistics infrastructure is necessary. - *Investing in education and training programs is key to building human capital.*

Common Challenges for Both Countries:

- (i) **Coordination and Collaboration:** Effective collaboration between India, Saudi Arabia, and other participating countries is crucial. - *Establishing robust governance frameworks and coordination mechanisms is necessary.*
- (ii) **Sustainability Concerns:** Ensuring that the development of the IMEEC is environmentally sustainable and adheres to international standards. - *Incorporating green logistics practices and reducing the environmental impact of infrastructure projects.*
- (iii) **Economic Viability:** Ensuring the economic viability of the corridor through cost-effective solutions and sustainable funding models. - *Managing financial risks and ensuring a return on investment for stakeholders. Addressing these hurdles requires concerted efforts from both India and Saudi Arabia, along with regional and international cooperation, to realize the full potential of the IMEEC.*

Conclusion

“Not all the storms come to disrupt your life, some come to clear your path.” In conclusion, logistics is a dynamic and essential field that Indian to evolve with technological and changing market conditions. The IMEEC corridor is a strategic initiative that significantly enhances India's Logistics Infrastructure, promoting economic growth, trade diversification and regional connectivity. IMEEC Corridor may provide effective logistics management, with reduced timeframe in transportation, which is crucial for Indian Business Infrastructures and economy to remain competitive in global market. It will focus on exploring new technologies and strategies to address the challenges and opportunities in Logistics sector of India and Saudi Arabia. IMEEC significantly enhances Saudi Arabia's Logistics infrastructure, driving economic diversification, attracting investment, and positioning the Kingdom as a pivotal hub in global trade networks.

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