



Connecting Opportunities: Greece's Strategic Role in the India-Middle East-Europe Economic Corridor

CORRIDORS

Dimitris GAVALAS & George DIKAIOS

IMEC



Connecting Opportunities: Greece's Strategic Role in the India-Middle East-Europe Economic Corridor (IMEC)

Copyright © 2025 | All Rights Reserved
HELLENIC FOUNDATION FOR EUROPEAN & FOREIGN POLICY (ELIAMEP)
49, Vasilissis Sofias Ave., 10676, Athens, Greece
Tel.: +30 210 7257 110 | Fax: +30 210 7257 114 | www.eliamep.gr | eliamep@eliamep.gr

ELIAMEP encourages open, pluralistic dialogue based on arguments and facts. The views expressed by associates of ELIAMEP are entirely their own and are not binding on the Institution.

Dimitris GAVALAS

Associate Professor, Department of Ports Management and Shipping, National and Kapodistrian University of Athens

George DIKAIOS

Senior Research Fellow, ELIAMEP; Lecturer & Postdoc researcher, National and Kapodistrian University of Athens

Summary

- The main obstacles to IMEC's establishment are the conflicts in the Middle East and other major national interests of key actors (such as the Chinese monopoly in the region).
- Focus is given to port infrastructure, as ports are pivotal to the global supply chain. India pays significant attention to its ports, while the Port of Piraeus is the largest port in Eastern Europe.
- The critical role and position of Greece are highlighted, underlying its role as a hub that connects India and the Middle East to Europe.
- Greece needs to invest in infrastructure development, build a skilled workforce, and attract foreign investments.
- Suggestions for establishing a successful commercial corridor between India and Greece are given, focusing on mutual interests and growth opportunities.

Introduction

Greece's involvement in IMEC is a significant element of their strategic partnership, asserting that Greece serves as India's gateway to Europe.

During state visits to India in February 2024, Indian Prime Minister Narendra Modi engaged in discussions with Greek Prime Minister Kyriakos Mitsotakis. The leaders, among other topics, deliberated on enhancing cooperation under the India-Middle East-Europe Economic Corridor (IMEC), which “is a geoeconomic project that propels infrastructure connectivity higher than ever on the geopolitical agenda of global powers” (Sauvignon and Benaglia, 2024). Prime Minister Mitsotakis expressed that Greece's involvement in IMEC is a significant element of their strategic partnership, asserting that Greece serves as India's gateway to Europe. He further emphasized the necessity of achieving peace in the Middle East, stating that stability is essential for any initiative aimed at fostering greater prosperity in the broader region, that would benefit all participating nations. Greece's role is essential to discuss, as it was not in the seven countries (India, France, Germany, Italy, Saudi Arabia, United Arab Emirates, United States) and the EU, which signed the initial IMEC Memorandum of Understanding in September 2023, during the G-20 Summit in India (Gonultas, 2023). Still, the IMEC is highly possible to go through Greece's territory.

This policy brief unveils a series of opportunities and challenges that arise from the establishment of IMEC, focusing on Greece's role and position. It first gives the bigger picture of how the global supply chain works, what role IMEC will play in it, and what infrastructure will be needed. The next section focuses on Greece's role and opportunities, which might enhance Greece's position within this particular cooperation, as well as the country's potential gains. A section on what needs to be done to better prepare for the establishment of the collaboration between India and Greece follows. The final part presents the way forward.

Global supply chains, infrastructure and IMEC's challenges

A supply chain can be defined as a systematic approach focused on the conversion of materials into finished products or services. It may also be perceived as a comprehensive network encompassing all entities engaged in the production and delivery of goods or services to consumers, including suppliers, manufacturers, transporters, distributors, warehouses, wholesalers, retailers, and customers. The modern supply chain is characterized by complexity, dynamism, competitiveness, and flexibility. Standard metrics utilized to evaluate supply chain performance encompass customer satisfaction, service quality, time efficiency, responsiveness, cost-effectiveness, and overall quality of output (Gavalas, 2024).

Supply chain management fundamentally pertains to the oversight and administration of such a network. In the era of globalization, numerous multinational corporations have established partnerships with entities located across the globe. The global supply chain is primarily driven by economic globalization, as companies endeavor to extend their supply chains into international markets. Such global operations typically increase business complexity due to the involvement of a broader array of stakeholders compared to domestic operations, necessitating the navigation of various political, economic, and cultural influences. Global supply chains function as fully integrated operations, thereby leveraging the distinct advantages offered by diverse geographical locations worldwide (Ma, 2020).

The global value chain can be defined as a complex network of international trade and commerce that involves multiple countries, regions, and industries. It relies on various

IMEC aims to connect India, the Middle East and Europe, through a railway network, enhancing regional integration and trade.

IMEC's success will depend on navigating the complex web of international trade relationships, regional tensions, and political challenges.

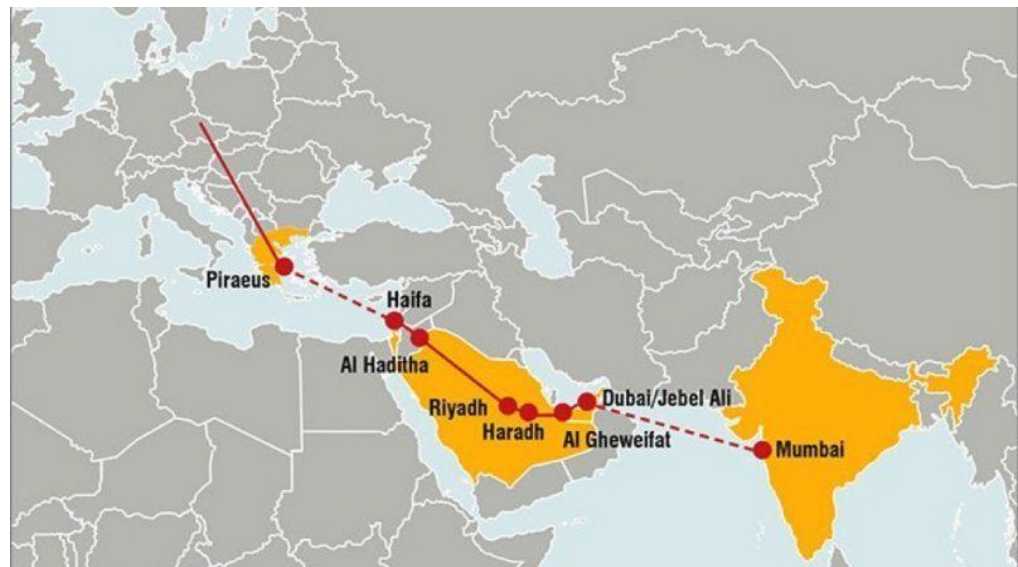
trade routes, including maritime and road transport networks, to facilitate the movement of goods and services (Vasiliadis et al., 2024). Strategic hub ports like Haifa (Israel), Piraeus (Greece), and Red Sea Gateway Terminal (Saudi Arabia) play a crucial role in connecting different regions and facilitating trade. The global value chain is influenced by global trade relationships between countries, including trade agreements, tariffs, and non-tariff barriers, as well as financial ties between countries, such as investment and trade agreements.

The multimodal transport system of IMEC would enable the efficient and cost-effective transportation of goods. The system would also allow for the flexibility to switch between different modes of transport depending on the specific requirements of each shipment. For example, if there is a high demand for speed, rail transport may be preferred, while if there is a high demand for flexibility, road transport may be preferred.

The establishment of IMEC would respond to the global value chain by creating a new ship-to-rail transit network that will supplement existing maritime and road transport routes. IMEC aims to connect India, the Middle East and Europe, through a railway network, enhancing regional integration and trade. By reducing costs and increasing speed, IMEC seeks to challenge Beijing's influence in the region and offer an alternative to China's Belt Road Initiative (BRI). However, IMEC's success will depend on navigating the complex web of international trade relationships, regional tensions, and political challenges. China's existing influence in the region, through its financial ties with Arab Gulf states, may limit IMEC's ability to challenge Beijing's dominance, while regional tensions, such as the ongoing conflict in the Middle East, may hinder the progress of IMEC and other regional integration projects (Monroe, 2023).

A major potential obstacle to the IMEC that is to be taken into account is that it does not offer a clear plan to address the Chinese monopoly in the region. The Greek port of Piraeus, a crucial link in the IMEC corridor, is already owned by Cosco, a Chinese shipping company. It is unclear whether India and the United States will attempt to buy stakes in Piraeus and shift the balance of power away from Cosco. Additionally, the deep financial ties between China and the Arab Gulf likely limit the ability of IMEC or any similar development project to challenge Beijing's influence in the region (Khan et al., 2024).

Additionally, another challenge that needs to be considered is the conflict in the Middle East, as shown in the map below, as the area is an integral part of the Corridor. As it is to be expected, the conflict poses significant barriers to the advancement of IMEC. For example, countries that have not normalized their diplomatic relations, like Israel and Saudi Arabia, would have to work together in order to develop railways, as connectivity between the countries of IMEC has to be undisturbed. The same applies to the relations between Jordan and Israel, as the former would be the corridor-country between Israel and Saudi Arabia (Das, 2024).



(IMEC map, source: Vienna International Institute for Middle East Studies)

For Greece, the port of Piraeus is well-positioned to play a key role in the IMEC project, and Greece should focus on leveraging its strategic location to benefit from the project

In terms of infrastructure, the physical aspect of IMEC would include railway lines connecting the United Arab Emirates to Israel via Saudi Arabia and Jordan, as well as electric cables to enhance digital connectivity, and pipes for clean hydrogen export. The multimodal transport system would likely involve a combination of maritime and rail transport. The Greek port of Piraeus would play a crucial role in this system, serving as a hub for cargo transportation from the port of Haifa in Israel to destinations in Europe and beyond. The port's locality on the Mediterranean and its existing connections to European markets make it an ideal location for transshipment and distribution of goods (Datta and Misra, 2024).

For Greece, the port of Piraeus is well-positioned to play a key role in the IMEC project, and Greece should focus on leveraging its strategic location to benefit from the project (Pandya and Leal-Arcas, 2024).

India's Strategic Steps Towards an Enhanced Port Infrastructure

In pursuit of the implementation of the IMEC corridor, India has taken steps from as early as January 2023 to acquire the port of Haifa (Israel). The acquisition was executed by Adani Ports and Special Economic Zone Limited (APSEZ Ltd.), India's largest private port operator and a comprehensive provider of logistics services. This development came as part of a long-term strategy for India's blue maritime economy, as introduced by Prime Minister Narendra Modi during the inauguration of the Global Shipping Summit and International Expo held on October 17, 2023, in Mumbai (Maritime India Summit, 2023). The envisioned horizon of the project is set with a vision towards 2047 (Reuters, 2023).

The plan encompasses several strategic initiatives aimed at enhancing port facilities, promoting sustainable practices, facilitating international collaboration, and executing major projects for the creation of Next Generation Mega Ports, which include the development of international container ports, islands, inland waterways, and multi-modal hubs. The total projected investment for these initiatives is estimated at approximately €900 billion, which is anticipated to generate a substantial number of job opportunities and reduce business operating costs, while mitigating environmental degradation.

Through the plan, India aspires to enhance its cargo handling capacities to 10,000 million metric tons per year by 2047, by addressing the increasing traffic demands and positioning itself among the top five shipbuilding nations of the world, through the establishment of shipbuilding and repair facilities in multiple locations. Over the past decade, the capacity of India's major ports has doubled, the turnaround time for large vessels has been reduced to under 24 hours from the previous 42 hours, and coastal cargo traffic has similarly doubled, reflecting the ongoing modernization of logistics (Gavalas et al., 2022).

What should Greece's role be within IMEC?

As the focus of this brief is to understand the strategic role of Greece in the IMEC's success, this part focuses on highlighting potential advantages of the process. Given the country's geographical location between Asia and Europe, Greece could provide a critical and strategic link between India, the Middle East, and mainland Europe. By playing a key role in facilitating trade, infrastructure development, and regional integration, Greece can benefit economically and political, the latter by strengthening its ties with these regions. Below, some potential roles that Greece could seek to play are listed, as a guide:

Given the country's geographical location between Asia and Europe, Greece could provide a critical and strategic link between India, the Middle East, and mainland Europe.

- *Logistics Hub:* Greece, particularly the port of Piraeus, can serve as a logistics hub for the IMEC corridor, connecting India and the Middle East to Europe. This could involve the development of new infrastructure, such as warehouses, storage facilities, and transportation networks.
- *Gateway to EU:* As the largest port in Eastern Europe, Piraeus can serve as a gateway to the EU for goods and services coming from India and the Middle East. This would facilitate trade and investment between these regions and the EU.
- *FTA Facilitator:* Greece could play a key role in facilitating an FTA (Foreign Trade Agreement) between India and the EU. As a member of the EU, Greece could help negotiate and implement the FTA, which would benefit Greek businesses and industries.
- *Infrastructure Development:* Greece could invest in developing its infrastructure, such as ports, roads, and railways, to support the growth of trade and commerce between India and the EU. This would also create new economic opportunities for Greek businesses and citizens.
- *Trade Facilitation:* Greece could work with Indian and EU authorities to simplify customs procedures, reduce bureaucratic hurdles, and increase trade facilitation measures to make it easier for goods and services to move across borders.
- *Investment Attraction:* Greece could attract investment from Indian companies by offering competitive incentives, such as tax breaks, subsidies, or other forms of support. This would help create new economic opportunities and jobs in Greece.

At the same time, strengthening bilateral relationships and improving connectivity between ports can facilitate trade and commerce between Greece and India. This could be a potential step towards advancing the IMEC project, especially if India and Greece can work together to improve the efficiency and reliability of their port operations. Additionally, improving Greek-Indian port relations could also have broader benefits for

the region. For example, it could help reduce transportation costs and increase trade volumes between Europe and Asia, which could be beneficial for the economies involved.

Balancing Political Priorities

Since 2016, Greece has cultivated a significant partnership with China, notably through Cosco's investment in the Port of Piraeus. This relationship has significantly helped in the improvement of Greece's economic standing. As such, the country – in theory – would not stand to benefit from severing these ties. This parameter is one that the country oughts to consider, as it seeks to assume a central role in IMEC. Balancing these two priorities will require diplomatic finesse and significant, holistic strategic planning. This may involve renegotiating terms with Cosco to maintain control without straining relations with China.

On the other hand, and provided that the former has been dealt with in a productive manner, Greece stands to benefit significantly if it can leverage the IMEC project to foster regional economic cooperation with neighbors like Turkey, Bulgaria, and Romania.

Navigating these dynamics, however, demands skillful diplomacy to manage the interests of the two major global actors.

Through careful balancing, Greece could position itself as a pivotal player in both IMEC and the broader regional framework, advancing its strategic and economic goals,

Focus on infrastructure and a skilled workforce

Greece's port of Piraeus, being the largest port in Eastern Europe, if IMEC proceeds, is to play a crucial role. Therefore, it's likely that Greece will be a major actor in the implementation of the project, particularly in terms of logistics and transportation. In light of this, it's indeed reasonable to suggest that Greece should enhance its domestic skilled workforce in areas such as logistics, transportation, and infrastructure management. This would enable Greece to capitalize on its strategic location, and potentially attract more investment and business opportunities. Moreover, having a skilled workforce would also help Greece to maintain its competitiveness in the region and ensure that it can adapt to any changes or challenges that may arise during the implementation of the IMEC project.

Essential steps to establish a successful commercial corridor between India and Greece

To establish a successful commercial corridor between India and Greece, several essential steps should be undertaken. Firstly, fostering strategic partnerships is crucial; collaboration between Indian and Greek governments, companies, and industries will help identify mutual interests and growth opportunities. Infrastructure development plays a significant role as well, and investment in modernizing and expanding transportation facilities—such as ports, airports, and highways—will facilitate the efficient movement of goods and people.

Negotiating and implementing bilateral trade agreements, particularly FTAs, can serve to reduce tariffs, increase trade volumes, and strengthen economic cooperation. Simplifying customs clearance procedures is also necessary to minimize delays and alleviate bureaucratic obstacles for importers and exporters. Furthermore, efficient logistics and

Greece's port of Piraeus, being the largest port in Eastern Europe, if IMEC proceeds, is to play a crucial role. [...] it's indeed reasonable to suggest that Greece should enhance its domestic skilled workforce in areas such as logistics, transportation, and infrastructure management.

supply chain management systems should be developed to ensure timely and cost-effective delivery of goods.

Encouraging foreign investment in both countries is another critical component, which can be achieved by promoting investment opportunities, providing incentives, and offering support services. As per the data provided by India's Ministry of Commerce and Industry, the value of goods imported from India to Greece during the fiscal year 2023-24 amounted to \$1,055.17 million. This sum includes significant products such as aluminum, organic chemicals, transformers, and various other electrical equipment (Embassy of Greece in India, 2024).

Additionally, capacity-building programs that offer training for businesses, entrepreneurs, and policymakers in areas like international trade, logistics, and entrepreneurship are vital for enhancing skills and knowledge. Marketing campaigns that highlight the benefits, attractions, and opportunities of the Corridor can attract potential investors, exporters, and importers.

Risk management strategies must be developed to identify and mitigate potential trade-related risks, such as regulatory differences, currency fluctuations, and security concerns. Establishing a robust digital connectivity infrastructure, including high-speed internet and data transmission networks, would facilitate seamless communication and data exchange between the two countries.

Identifying competitive advantages in areas like production costs, quality standards, or innovation will further attract businesses and investors. It is essential that both governments provide necessary support and incentives to businesses operating within the corridor, including tax breaks, subsidies, or other forms of assistance. Effective communication channels between Indian and Greek businesses, governments, and regulatory bodies should be established to facilitate dialogue and collaboration. Finally, regular monitoring and evaluation of the Corridor's progress will be necessary to assess performance and identify areas for improvement, ensuring its continued success.

Key actions such as developing strategic partnerships, investing in infrastructure, and negotiating favorable trade agreements are paramount for establishing a robust commercial corridor.

The way forward

The discussions between Indian Prime Minister Narendra Modi and Greek Prime Minister Kyriakos Mitsotakis during their state visits highlight the profound potential for collaboration under the India-Middle East-Europe Economic Corridor. The proposed commercial Corridor serves as a critical link that can enhance trade, connectivity, and regional integration among diverse economies, positioning Greece as a pivotal gateway for India into Europe.

To realize the ambitious goals of IMEC, a multifaceted approach is essential. Key actions such as developing strategic partnerships, investing in infrastructure, and negotiating favorable trade agreements are paramount for establishing a robust commercial corridor. By simplifying customs procedures and improving logistics and supply chain systems, both countries can foster a conducive environment for trade, thereby driving economic growth.

Moreover, the challenges posed by existing geopolitical dynamics, notably China's significant influence in the region and the ongoing conflicts in the Middle East, must be addressed strategically. Successful IMEC implementation hinges on achieving regional cooperation, brokering peace initiatives, and creating a balance of power that favors equitable economic engagement among participating nations.

Successful IMEC implementation hinges on achieving regional cooperation, brokering peace initiatives, and creating a balance of power that favors equitable economic engagement among participating nations.

The IMEC presents a unique opportunity for India and Greece to strengthen their bilateral ties while playing a significant role in reshaping regional trade dynamics.

Greece's role as a logistical hub and trade facilitator is indispensable. The port of Piraeus not only complements the IMEC's shipping routes but also positions Greece favorably to attract investments, foster regional integration, and promote sustainable development practices. Navigating the complexities of international trade relationships while maintaining a focus on green initiatives can enhance IMEC's viability and public acceptance.

The IMEC presents a unique opportunity for India and Greece to strengthen their bilateral ties while playing a significant role in reshaping regional trade dynamics. With concerted efforts in infrastructure development, strategic collaboration, and diplomatic negotiations, the IMEC could become a transformative framework benefiting not just the participating nations but also the broader global economy.

As a final comment, it is likely that the project would require significant investment from governments and private companies in terms of who will pay for the implementation of IMEC. The endorsement of IMEC by several countries, including India, Saudi Arabia and the UAE (and France, Germany, Italy, and the United States), suggests that they may be willing to contribute financially or otherwise to its development. The project's potential economic benefits, such as cutting costs and increasing speed of cargo shipment, could attract private investment and funding from companies and institutions interested in the region's growth and development.

References

- Das, D. (2024). Revisiting the contours of the evolving Middle Eastern order through the India-Middle East-EU Corridor: mapping India's scopes and limitations. *Asian Journal of Political Science*, 32(1), 35-56.
- Datta, B., & Misra, S. (2024). *Port Efficiency and Infrastructure Development: Catalysts for the India-Middle East-European Union Economic Corridor*. In *Global Cargo Industry: Resilience of Asia-Pacific Shipping Industries* (pp. 1-34). IGI Global.
- Embassy of Greece in India. (2024). Greek Exports to India in fiscal year 2023-2024, Office of Economic & Commercial Affairs, Available online at <https://agora.mfa.gr/infofiles-menu/infofile/88418>, last accessed November 14th 2024.
- Gavalas, D. (2024). Does sustainability reporting affect firm performance? Evidence from the port sector. *Maritime Technology and Research*, 6(2), 266092-266092.
- Gavalas, D., Syriopoulos, T., & Tsatsaronis, M. (2022). Assessing key performance indicators in the shipbuilding industry; an MCDM approach. *Maritime Policy & Management*, 49(4), 463-491.
- Gonultas, B. (2023). 7 countries, EU sign memorandum of understanding for trade corridor linking Europe, Middle East and India, Available online at <https://www.aa.com.tr/en/europe/7-countries-eu-sign-memorandum-of-understanding-for-trade-corridor-linking-europe-middle-east-and-india/2988027>, last accessed January 20th 2025.
- Khan, K. H., Bastanifar, I., Omid, A., & Khan, Z. (2024). Integrating gravity models and network analysis in logistical strategic planning: a case of the India Middle-East Europe Economic Corridor (IMEC). *Maritime Economics & Logistics*, 1-36.
- Ma, S. (2020). *Economics of maritime business*. Routledge.
- Maritime India Summit. (2023). Available online at <https://maritimeindiasummit.com/>, last accessed November 1st 2024.
- Monroe, S. (2023). The India–Middle East–Europe economic corridor: an early assessment. In *Economic Research Forum*.
- Pandya, D., & Leal-Arcas, R. (2024). India-EU Relations: geopolitics, energy and trade. In *Research Handbook on EU Energy Law and Policy* (pp. 299-321). Edward Elgar Publishing.
- Reuters. (2023). Adani-led group completes purchase of Israel's Haifa Port, Available online at <https://www.reuters.com/markets/commodities/adani-led-group-completes-purchase-israels-haifa-port-2023-01-10/>, last accessed November 13th 2024.
- Sauvignon, F. & Benaglia, S. (2024). Why IMEC needs to change course in the EuroMed: To invest in the true drivers of peace and economic security. European Institute of the Mediterranean, EUROMESCO Paper no. 71.
- The Maritime Standard. (2024). Large scale Gujarat investments planned by DP World, Available online at <https://www.themaritimestandard.com/large-scale-gujarat-investments-planned-by-dp-world/>, last accessed November 7th 2024.
- Vasiliadis, L., Gavalas, D., & Tsitsakis, C. (2024). Competitive strategies and integration expanses in the large shipping container industry during an era of consecutive global crises. *Maritime Technology and Research*, 6(1), 266413-266413.