

**G20**

## US and EU set to back new India-Middle East transport corridor

Project due to be agreed on G20 sidelines would counter growing Chinese influence in Arab states



Indian prime minister Narendra Modi arrives at the G20 summit in New Delhi on Saturday. He is expected to agree a memorandum of understanding with leaders including US president Joe Biden for a new transport corridor linking India and the Middle East. © AP

**James Politi** and **Henry Foy** in New Delhi and **Andrew England** in London 8 HOURS AGO

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The US and EU are set to support the development of a new ship and rail corridor connecting India to the Middle East and beyond — an infrastructure project crossing Saudi Arabia and the United Arab Emirates that could challenge China’s economic clout in the region.

The plan is expected to be launched on Saturday at an event on the sidelines of the [G20 summit in New Delhi](#), through a memorandum of understanding agreed by leaders including US president Joe Biden and Indian prime minister Narendra Modi, US officials said.

Talks about such a project, which would also include a new undersea cable and energy transport infrastructure, have been going on behind the scenes between the countries involved for months, but they will now proceed on a more formal basis. No binding financial commitments have been made, one senior western official involved in the negotiations said.

“[The corridor] will enable the flow of commerce, energy and data from here in India across the Middle East to Europe,” Jon Finer, the US deputy national security adviser, told reporters on Saturday.

“This is nothing less than historic. It will be the most direct connection to date between India, the Arabian Gulf and Europe,” European Commission president Ursula von der Leyen is expected to say at the launch of the project later on Saturday.

“It is a green and digital bridge across continents and civilisations,” she is set to say, adding that the rail link would make trade between India and Europe 40 per cent faster.

For the US, the project could act as a counter to Beijing’s growing influence in the region, at a time when Washington’s traditional Arab partners, including the UAE and Saudi Arabia, are deepening ties with China, India and other Asian powers.

The plan could also support the Biden administration’s efforts to build on the recent normalisation of relations between Israel and several Arab states, including the UAE, as it pushes Saudi Arabia to follow suit and formalise ties, a person briefed on the discussions said.

“China is one factor. The US is also trying to refocus attention on the region, to reassure traditional partners and to maintain influence,” the person said.

The EU’s role in the agreement was negotiated during a visit by von der Leyen to Abu Dhabi on Thursday, EU officials said, during talks with UAE president Sheikh Mohammed bin Zayed al-Nahyan.

The collaboration is a central part of the EU’s effort to deepen trade and investment ties with Gulf countries, the officials added, particularly in response to Russia’s war against Ukraine.

The EU has earmarked spending of up to €300bn on overseas infrastructure investments between 2021 and 2027 through its Global Gateway project, launched in part to rival China’s Belt and Road Initiative and defend European interests in key trade partners.

Both Saudi Arabia, the world’s top oil exporter, and the UAE, the Middle East’s dominant finance centre, are seeking to project themselves as key logistics and trade hubs between east and west.

However, ambitious cross-border infrastructure projects in the Arab world have historically gained little traction, including a planned 2,117-km rail network connecting the six members of the Gulf Cooperation Council — Saudi Arabia, the UAE, Kuwait, Qatar, Oman and Bahrain. It is still only part built more than a decade after its inception

and its inception.

Finer said the development of the corridor was consistent with the Biden administration's push to "turn the temperature down" and "de-escalate conflicts" in the region, while increasing "connectivity". But the principles of the project also aimed to stand in contrast to the type of infrastructure funded by China's Belt and Road Initiative, whose funding has been criticised for being opaque and getting poorer nations into debt traps.

"We see this as having a high appeal to the countries involved and also globally because it is high-standard, it is not coercive . . . we are not trying to impose anything on anyone," Finer said.

The EU and US will also make a separate announcement on the sidelines of the summit on a trans-African corridor between the Democratic Republic of Congo, Zambia and Angola, aimed at improving trade in raw materials including copper, officials said.

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