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THE NEW ROUTE OF GEOECONOMIC COMPETITION: COMPARISON OF THE BELT AND ROAD INITIATIVE AND THE IMEC PROJECT WITHIN THE FRAMEWORK OF NEW TRADE THEORIES

JEOEKONOMİK REKABETİN YENİ ROTASI: KUŞAK VE YOL GİRİŞİMİ İLE IMEC PROJESİNİN YENİ TİCARET TEORİLERİ ÇERÇEVESİNDE KARŞILAŞTIRILMASI

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ABSTRACT

The importance of trade routes and economic cooperation in geoeconomic and commercial terms is increasing day by day. Throughout history, global trade routes have always been of strategic importance. Ancient trade routes, such as the Silk Road, facilitated early trade and cultural exchange. However, technical and political disruptions have forced global supply chains to new routes. Disruptions to key shipping routes, such as the Suez Canal, have underlined vulnerabilities in global trade. Changing commercial and economic centers in our world have brought new routes. The axis of global trade has shifted from traditional hubs in North America and the European Union to include the Asia-Pacific region, which is driven by East Asian economies such as China, Japan, and South Korea in particular. In this environment, today's two important economic collaborations have led to the emergence of new trade routes. BRI and IMEC are the two most discussed projects. The fact that these projects have not only commercial but also political consequences has brought the concept of geoeconomy to the fore. This study aims to compare BRI and IMEC using Melitz's new trade theory within the framework of the concept of geoeconomics.

Keywords: New Trade Theory, Geoeconomics, BRI, IMEC.

ÖZET

Jeoekonomik ve ticari açıdan ticaret yollarının ve ekonomik iş birliğinin önemi her geçen gün artmaktadır. Tarih boyunca küresel ticaret yolları her zaman stratejik öneme sahip olmuştur. İpek Yolu gibi kadim ticaret yolları, erken dönem ticaret ve kültürel alışverişi kolaylaştırmıştır. Ancak teknik ve politik aksaklıklar küresel tedarik zincirlerini yeni rotalara zorlamıştır. Süveyş Kanalı gibi önemli nakliye rotalarındaki aksamalar, küresel ticaretteki kırılganlıkları ortaya çıkarmıştır. Dünyamızdaki değişen ticari ve ekonomik merkezler yeni rotalar getirmiştir. Küresel ticaretin ekseni, Kuzey Amerika ve Avrupa Birliği'ndeki geleneksel merkezlerden, özellikle Çin, Japonya ve Güney Kore gibi Doğu Asya ekonomilerinin yönlendirdiği Asya-Pasifik bölgesine kaymıştır. Bu ortamda, günümüzün iki önemli ekonomik iş birliği yeni ticaret yollarının ortaya çıkmasına yol açmıştır. Kuşak ve Yol Girişimi (BRI) ve Uluslararası Ticaret ve Ekonomi Merkezi (IMEC) en çok konuşulan iki projedir. Bu projelerin yalnızca ticari değil aynı zamanda politik sonuçları da olması, jeoekonomi kavramını ön plana çıkarmıştır. Bu çalışmanın amacı, Melitz'in yeni ticaret teorisini jeoekonomi kavramı çerçevesinde kullanarak BRI ve IMEC'i karşılaştırmaktır.

Anahtar Kelimeler: Yeni Ticaret Teorisi, Jeoekonomi, KYG, IMEC.

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1. INTRODUCTION

Throughout history, global trade routes have always been of strategic importance. Ancient trade routes such as the Silk Road facilitated early trade and cultural exchange. The colonial era and the Industrial Revolution further expanded trade networks, leading to modern agreements such as GATT and WTO (Pasupuleti, 2024).

However, technical and political disruptions have forced global supply chains to seek new routes. Disruptions in key shipping routes such as the Suez Canal have highlighted the fragility of global trade. The rise of secondary ports presents new opportunities for diversifying trade routes and enhancing supply chain resilience (Camman & Livolsi, 2024). Trade routes have evolved significantly and form the backbone of modern supply chains. Understanding their historical development and current challenges is critical to promoting economic stability and growth in an increasingly interconnected world (Dangre, 2024). Technological advancements and infrastructure improvements have reshaped trade routes, alongside the growing role of developing economies (Ahmed et al., 2024). The COVID-19 pandemic and geopolitical tensions have disrupted traditional routes, leading to a re-evaluation of supply chain strategies (Camman and Livolsi, 2024).

While the evolution of global trade routes offers countless opportunities for economic growth, it also imposes new strategies on world politics and capital owners for the direction and shaping of the modern global economy. To this end, Belt and Road Initiative (BRI) and India-Middle East-Europe Economic Corridor (IMEC) the two most discussed projects today aim to shape new supply chains.

The aim of this article is to reveal the emergence purposes and geopolitical goals of the BRI and IMEC projects and to show their importance in the formation of the new world order. The article will contribute to the literature on this subject by comparing two major projects within the framework of Melitz's new trade theory.

1.1. Geoeconomic Factors That Spawned the BRI and IMEC

Geo-economic factors significantly shape global trade patterns by influencing the spatial distribution of economic activities and the dynamics of international trade. The evolution of trade centres, the impact of geographical inequalities, and the role of economic policies are critical to understanding these effects. Changing commercial and economic centres in our world are bringing new routes with them. The axis of global trade has shifted from traditional centres in North America and the European Union to include the Asia-Pacific region, driven by East Asian economies such as China, Japan, and South Korea (Chen & Wang, 2022). Emerging economies have gained importance by altering the global trade and economic power balance. One of the key factors that led to the shift in the balance of power was geopolitical inequalities

Geographical inequalities also play a role in the emergence of projects. Economic activities are unevenly distributed among countries, leading to differences in the impact of international trade on local economies. Regions that benefit from trade tend to support economic openness, while those negatively affected may oppose it (Rickard, 2022; Dobrek, 2022). This polarisation can influence national policies and public opinion regarding trade agreements. Modern economic theories incorporate geographical considerations, emphasising that distance affects trade volumes and firm location decisions. For example, gravity models show that trade declines significantly with distance (Venables, 2019). This is where geoeconomics comes into play.

Geoeconomics integrates these concepts by highlighting the importance of competitive strength and institutional governance in shaping global economic interactions (Tumanyan et al., n.d.). In contrast, while geoeconomic factors play an important role in shaping trade patterns, some argue that technological developments and digital trade could reduce the importance of geography and potentially lead to a more interconnected global economy that transcends traditional spatial constraints.

2. THEORITICAL FRAME

2.1. The Theory of Geoeconomics

Interest in geoeconomics has grown significantly in recent years. This can be attributed to the fact that issues between countries are now being resolved through economic means rather than military ones (Ateş, 2021). The concept of geoeconomics was first defined by Edward N. Luttwak in his work 'From Geopolitics to Geoeconomics: Logic of Conflict, Grammar of Commerce' (Luttwak, 1990).

Luttwak's concept of 'geoeconomics' represents a significant shift from traditional geopolitics by emphasising economic power over military power in global strategy. This shift reflects a broader understanding of how states engage in power dynamics through economic means and how they reshape international relations and national interests.

2.1.1. Transition from Military Power to Economic Power

Luttwak argues that the end of the Cold War marked a decline in military-centered geopolitics, with the result that economic strategies became the primary tools for statism (Mallin et al., 2024). Geoeconomics emphasizes the use of trade and market mechanisms to achieve national objectives, as opposed to direct military conflicts, which were typical of earlier geopolitical strategies (Mallin and Sidaway, 2023).

2.1.2. Integration of Economic Policies and Geopolitical Interests

States are increasingly using economic tools such as sanctions and trade agreements to steer regional hegemony and exert influence. The rise of events such as Brexit and the COVID-19 pandemic demonstrates how important economic diplomacy has become in addressing contemporary geopolitical challenges (Khorava, 2024).

2.1.3. Evolving Political Geography

The concept of "geo-economic society" is emerging, redefining the role of the state as an economic actor rather than merely a military one, and signalling a shift in the political geography. This evolution demonstrates that traditional geopolitical frameworks are being replaced by more complex economic interactions that transcend national borders (Cowen & Smith, 2009).

In contrast, some critics argue that focusing on geoeconomics may oversimplify the complexity of international relations and potentially overlook the enduring importance of military power in certain contexts (Vihma, 2017). This perspective highlights the need for a balanced understanding of both geoeconomic and geopolitical strategies in contemporary global issues.

2.2. New Trade Theory (Melitz Model)

The fact that Classical Trade Theories examine the country and the differences between countries and accept the exchange between industries as the starting point of international trade

has been insufficient to explain the globalization process that started in the 1960s and the new form of trade. New Trade Theories deal with the firm and explain the formation of foreign trade based on the productivity differences of the firm (Bakkalcı, 2013). Melitz's new theory of trade establishes basic assumptions about firm heterogeneity and the effects of trade liberalization on the international economy. This framework emphasizes that firms differ in terms of efficiency, which leads to a selection process in which only the most efficient firms export. The theory also emphasizes the role of increased returns to scale and imperfect competition, which significantly affect trade patterns and economic outcomes.

The basic assumption in Melitz's theory is firm heterogeneity. Firms in the same industry have different levels of productivity, which affects their ability to export (Ranjan & Raychaudhuri, 2016). Another assumption is that companies with high productivity have high export potential. Only firms that exceed a certain threshold of efficiency will enter foreign markets, leading to a more efficient allocation of resources (Felbermayr & Jung, 2011). Also increasing returns to scale: The model assumes that larger firms can produce at lower average costs, which encourages them to export (Felbermayr & Jung, 2011).

Melitz also acknowledges that trade liberalization will have positive effects. Trade liberalization leads to the reallocation of resources towards more productive firms, increasing overall productivity in the economy (Roson et al., 2014). Larger countries tend to have a disproportionate share of firms, which increases with lower trade costs (Felbermayr & Jung, 2011). He argues that trade liberalization can stimulate economic growth, but also that liberalization is a way for less efficient firms to achieve higher export figures. (Segerstrom & Stepanok, 2018).

In contrast, some critics argue that Melitz's model may not fully capture the complexity of firm behavior in international trade, especially with regard to the dynamics of learning exports and the varying effects of trade policies on different firm sizes (Segerstrom & Stepanok, 2018).

3.BRI AND IMEC

3.1. Belt and Road Initiative (BRI)

The Belt and Road Initiative (BRI) has significant economic implications for participating countries and influences their development trajectories through infrastructure investments, trade facilitation, and economic cooperation. However, it has some negative reviews, referred to as the "debt trap" in the literature.

One of the most important advantages of the BRI is investments in the infrastructure of the countries. The BRI has pioneered important infrastructure projects such as the China-Pakistan Economic Corridor (CPEC) and the Mombasa-Nairobi Railway, which have boosted local economies by improving connectivity and trade routes (Dunsby, 2023) (Cao, 2024). Djibouti has become an important trading hub thanks to the BRI-funded port development, demonstrating the initiative's role in regional economic integration (Cao, 2024).

According to (Han et al., 2024) (Cheng, 2024) BRI is for economic growth and trade development. It shows that BRI participation is associated with an increase in per capita income and the improvement of industrial structures, especially in underdeveloped countries. The initiative promotes trade cooperation, evidenced by improved trade flows and economic growth metrics in participating countries (Cheng, 2024).

On the other hand, the most important criticism of the BRI is that China binds the countries it invests in with a "debt trap". Despite the benefits, many countries, such as Sri Lanka and Montenegro, face severe debt distress due to BRI projects, raising concerns about long-term economic sustainability and political autonomy (Dunsby, 2023) (Cao, 2024). Critics argue that the BRI could lead to economic dependence on China, making it difficult for participating countries to dominate (Kumafan & Nguevese, 2024).

In contrast, while the BRI has the potential to promote economic growth and development, it also carries risks related to debt sustainability and geopolitical influence, highlighting the need for strategic planning and diversified partnerships among participating countries.

3.2. India–Middle East–Europe Economic Corridor (IMEC)

The revival of the India-Middle East-Europe Economic Corridor (IMEC) is set to significantly impact the economic landscapes of the Middle Eastern and European economies. This initiative aims to increase connectivity and trade integration by promoting economic growth and strategic partnerships among participating countries. The following sections summarize the main economic implications of IMEC.

The International Middle East Corridor (IMEC) is posited as a pivotal initiative set to redefine the parameters of international trade by establishing novel transit routes, fostering enhanced economic collaboration, and promoting sustained stability and growth across three continents. (Agarwal and Sharma, 2024)

IMEC will facilitate smoother trade routes between Asia, the Persian Gulf, and Europe through improved trade links, reducing transit times and costs (Singh, 2024). The IMEC project is expected to increase cargo volumes and thus improve trade security and economic resilience for the countries involved, especially in the context of geopolitical tensions (Biró & Vasa, 2024).

The corridor is likely to attract foreign direct investment (FDI) in the areas of infrastructure and logistics, especially in European countries such as the UAE, Saudi Arabia, and Greece (Krzymowski, 2024). According to Dirioz; Thanks to the infrastructure to be developed, IMEC will promote regional cooperation and economic diversification by supporting the movement of goods and energy resources. IMEC will strengthen energy security and economic stability in the region by providing a vital route for energy-rich countries to transport natural gas and electricity to European markets (Dirioz, 2022).

In contrast, while IMEC offers numerous economic opportunities, challenges such as political instability and infrastructure deficiencies can hinder its full potential and require careful management and collaboration among stakeholders to ensure its success (Biró & Vasa, 2024).

3.3. BRI and IMEC from a Geoeconomic Perspective

The Belt and Road Initiative (BRI) and the India-Middle East-Europe Economic Corridor (IMEC) offer both synergies and conflicts between participating countries in promoting sustainable development and innovation. While both initiatives aim to improve economic growth and infrastructure, their approaches and impacts on sustainability may differ. The Belt and Road Initiative has led to significant GDP growth in participating Central Asian countries, fostering energy cooperation and infrastructure development ("BRI in the Middle East and Central Asia", 2022) (Hao et al., 2020). In turn, IMEC aims to create alternative trade routes, potentially reducing dependence on Chinese investment, and promoting economic independence among Central Asian states (Abdel-Baz, 2025).

Both the BRI and IMEC create a global synergy for sustainable development. It facilitates technology transfer and innovation, which is crucial for achieving the Sustainable Development Goals (SDGs) in participating countries (Peng et al., 2025). The BRI has significantly improved the infrastructure that is essential for economic growth and can support sustainable urban development (SDG 11) (Li et al., 2023). The BRI encourages businesses to adopt sustainable practices by promoting green technology and innovation; this is in line with IMEC's goals of promoting environmentally friendly development (Li et al., 2024).

3.4. Conflicts in Practice

Some problems arise during the implementation of BRI and IMEC projects. Geopolitical tensions are one of the primary consequences of this conflict. The BRI's focus on economic growth could lead to geopolitical conflicts, potentially undermining cooperation efforts at IMEC (Peng et al., 2025).

Environmental concerns are another area of conflict. While the Belt and Road Initiative has made significant strides in the field of green innovation, its focus on economic development may create trade-offs related to environmental sustainability that may conflict with IMEC's goals (Li et al., 2023; Li et al., 2024).

The different priorities of the projects are also one of the important areas of conflict. Participating countries may have different priorities, which can lead to conflicts over how to allocate resources and implement initiatives, affecting overall synergy (Wang et al., 2023).

The geopolitical strategies of the International North-South Transport Corridor (IMEC) and China's Belt and Road Initiative (BRI) significantly influence regional power dynamics in Central Asia, the Middle East, and Europe. While both initiatives aim to improve connectivity and economic cooperation, they also reflect competing interests between global powers, notably China, Russia, and the United States.

The BRI has positioned China as a dominant player in Central Asia and promoted economic growth and regional cooperation through infrastructure projects ("Rethinking Regional Hegemonic Order: Nex...", 2024; Indeo, 2018).

Supported by India and Iran, IMEC aims to balance Chinese influence by developing trade routes connecting South Asia to Europe, thereby diversifying regional partnerships (Elbaz, 2025).

From the point of view of regional stability and governance, the success of the BRI depends on regional security; While instability can undermine BRI projects, IMEC provides a platform for cooperation that can enhance regional security through diversified partnerships ("BRI in the Middle East and Central Asia", 2022; Indeo, 2018). Both initiatives reflect a shift in alliances in which Central Asian countries increasingly have a say in foreign policy decisions and balance between the great powers (Abdel-Baz, 2025).

While the Belt and Road Initiative and IMEC offer opportunities for economic development and regional cooperation, they also increase geopolitical tensions, especially as countries direct their relations with rival powers. This dynamic could lead to a more fragmented regional order, in which states must carefully balance their foreign policy orientations. In contrast, some argue that the competitive nature of these initiatives can promote innovation and efficiency, ultimately benefiting sustainable development. But this competition could also exacerbate existing tensions and hinder cooperation efforts.

Table 1. BRI vs. IMEC from a Geoeconomic Perspective

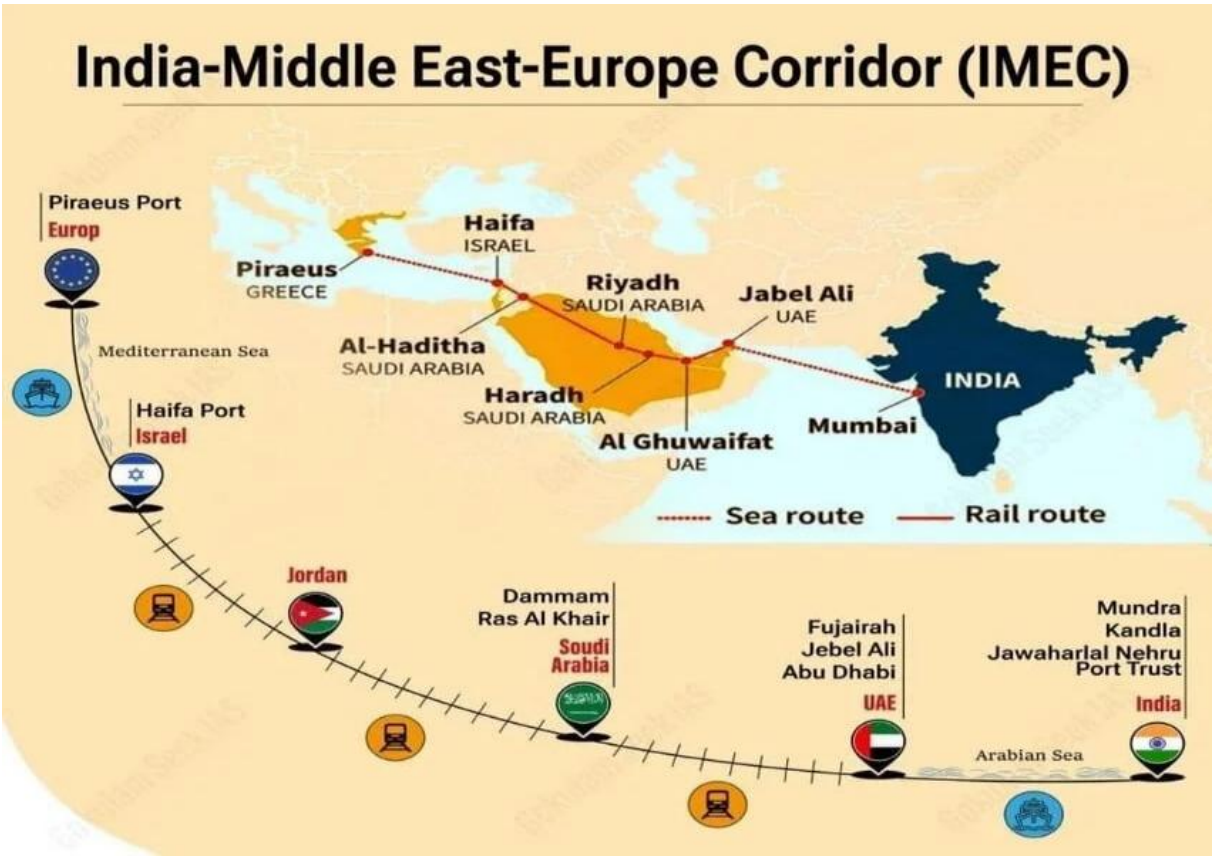
Criteria	BRI	IMEC
Geopolitical goal	China's Eurasian-based trade and influence expansion	Balancing China, contributing to multipolarity
Global power relationship	China's hegemonic vision	US-led anti-China bloc
Dept-Trap Risk	High (Sri Lanka, Pakistan examples)	Claim to transparency, new corporate structure
Energy Security	Energy supply via land-sea lines	Middle East-Europe energy bağlantısı

Table 1 summarizes the synergies and conflicts of BRI and IMEC projects from a geoeconomic point of view.

3.5. BRI and IMEC in Terms of New Trade Theories

Figure 1 shows the planned route of IMEC. The main lines of the corridor are: access by sea to Gulf countries such as Oman and Saudi Arabia, starting from India; From here, the road (rail) connection to Europe via Jordan and Israel; In the European leg, integration is planned through the ports of Greece, Italy, France (Marseille, Trieste, Pirée) (Kausch, no date). In addition, the corridor aims to offer a multi-sectoral structure with integrated infrastructures such as next-generation digital infrastructure, green energy and hydrogen pipelines (metro.global, 2025).

Figure 1. IMEC Domain

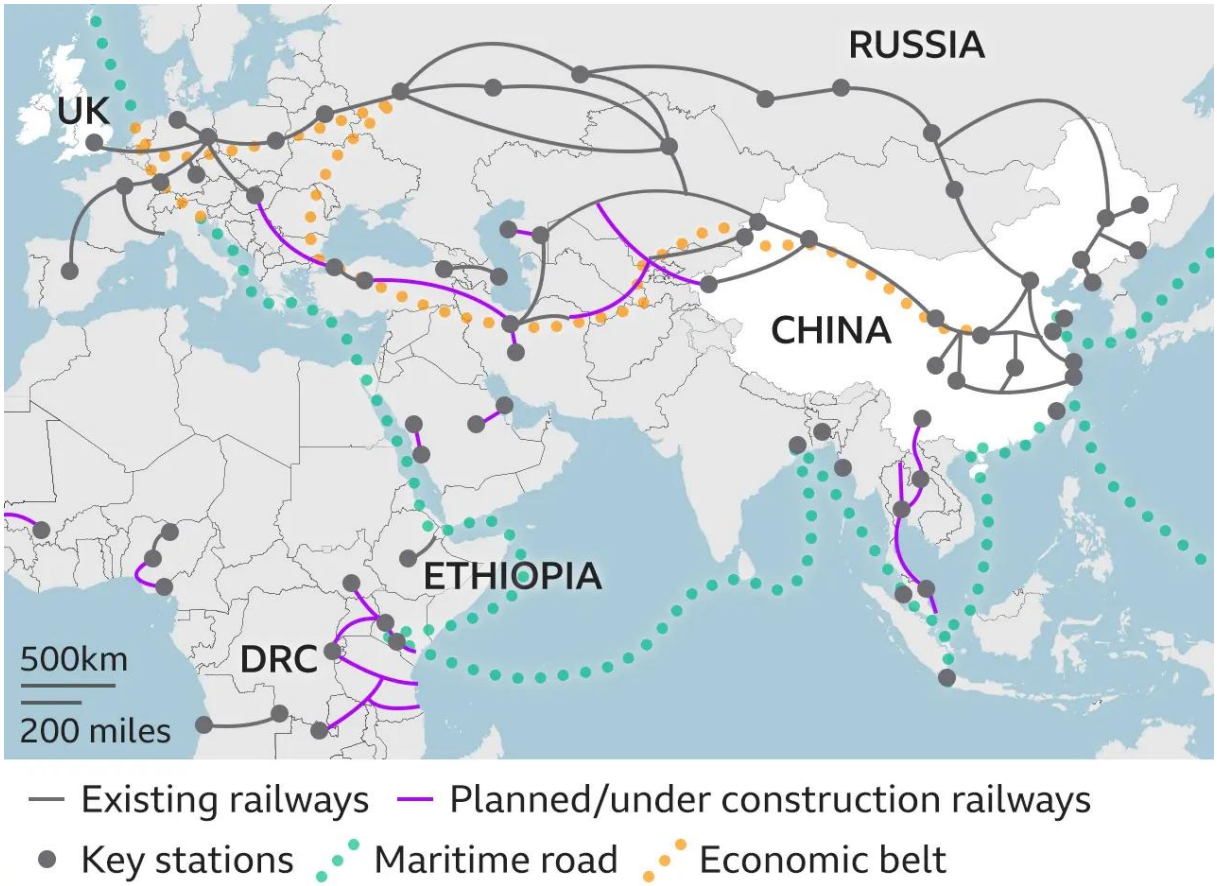


Source: MERICS. (2018). Infrastrukturen für drei Kontinente [Map]. Mercator Institute for China Studies. https://merics.org/

The planned IMEC corridor is focused on geopolitical centers. It consists of India, Gulf, Israel/Jordan, Europe route. Thanks to the integration of sea and rail, it has the potential to reduce transit time by up to 40% (metro.global, 2025). In addition, the fact that it includes a multidimensional approach in the field of energy and digital infrastructure promises a transformation not only in logistics but also in corporate trade costs (Ghanem, Sanchez-Cacicedo, 2024).

Figure 2 shows BRI routes that span a wide geography with land and sea network. The BRI offers a number of alternative routes. In particular, routes to Central Asia (Kazakhstan, Azerbaijan and Turkey) and routes that are more reliable and reduce dependence on Russia come to the fore.

Figure 2. BRI Domain



Source: MERICS. (2018). Infrastrukturen für drei Kontinente [Map]. Mercator Institute for China Studies. https://merics.org/

China's land corridors through West and Central Asia (Eurasian Landbridge) (Pomfret, 2028) passing through countries such as Kazakhstan, Turkmenistan, Azerbaijan, and Turkey and reaching the inner regions of Europe. In addition, there are southern corridors that include the Iran-Turkey-Europe line in the south of the Caspian Sea, and this route bypasses Russia with the Caspian crossing. Together with the Belt and Road Initiative, China has sent more than 11,000 freight trains to Europe. Compared to a decade ago, more than 65 rail freight routes have been opened between China and 44 cities in 15 European countries. The growing importance of rail transport from China to Europe is closely linked to China's geopolitical strategy aimed at expanding its sphere of influence (container-xchange, nd).

New trade theories predict that firms can increase their export capacity by reducing trade costs and increasing firm productivity. Table 2 shows a comparison of BRI and IMEC from this perspective.

Table 2. A Comparison of BRI and IMEC From Trade Perspective.

Criteria	BRI	IMEC
Impact on the cost of trading	Multifaceted infrastructure investments	Expectation of high efficiency in energy and digital
Company structure that attracts investment	Chinese state-owned companies are predominantly	Multilateral, privately sector-centric
Economies of scale of firms	Cheap labor and port connections	Focused on quality infrastructure and green technology
Impact on local firms	Debt pressure, low risk of added value	Potential for regional development and technology transfer

4. BRI AND IMEC ANALYSIS IN TERMS OF NEW TRADE MODEL

Within the framework of the New Trade Theory, it has been revealed that the decreases in trade costs facilitate the entry of companies with high productivity into foreign markets and encourage new firm entries. In this context, BRI and IMEC projects have significant differences when compared in terms of their potential to reduce international trade costs. Trade costs are one of the most basic determinants of international trade. These costs are; It covers elements such as transportation, customs clearance, information asymmetry, market entry costs, and bureaucratic barriers.

BRI and IMEC projects provide by reducing the physical and administrative costs of trade through infrastructure investments, legal regulations and international treaties.

4.1. Physical Trade Costs: Transportation and Logistics

Railways and ports built under the BRI have reduced transit time between China and Europe. For example, on the China-Kazakhstan-Russia-Poland line, transportation by train takes 20-25 days, while sea transportation can take 40-50 days. IMEC, on the other hand, aims for rapid transit from India to the Middle East by sea and then by rail to Europe.

Projects such as BRI and IMEC facilitate small and medium-sized firms (SMEs) access to international markets by reducing transportation and transaction costs. This can increase foreign trade volume and company diversity.

Table 3. Methods of Reducing Costs of Projects via Transportation and Logistics

Element	BRI	IMEC
Road and rail connections	Uninterrupted land transport from China to Europe	From India to Europe via Gulf ports
Sea port investments	Ports such as Gwadar, Piraeus, Hambantota	Modernization of Indian and Gulf ports
Reduction in transit time	Land transport between China and Europe is faster than by sea	Time savings with fast sea-road crossing
Logistic networks	China-based supply chain integration	A system linked to the US and the EU

The Belt and Road Initiative (BRI) aims to develop physical transportation infrastructure with multiple land and sea routes starting from China and extending to Central Asia, the Middle East, Africa and Europe. Railway lines, highways and ports built under the BRI have significantly

reduced transportation time and costs. For example, the railway line reaching Europe via China-Kazakhstan-Russia-Poland can carry cargo in an average of 15-20 days shorter than the sea route. This situation creates an increasing effect on trade volume, especially in time-sensitive products (container-xchange, nd).

On conventional routes, the total transit time on the Xi'an–Mannheim route is reported to be approximately 29–30 days with current data; this reflects current practices on alternative routes bypassing Russia. With more optimised routes (e.g. Chongqing–Duisburg), the time has been reduced to 13–16 days. In the "fastest" service offered by Ziegler on the Xi'an–Duisburg–Belgium route, the maximum duration is standardized as 17–18 days (RailFreight, 2024). Since 2011, there have been 110,000 China-Europe train trips; the total value of goods transported exceeded $450 billion (Wangshu & Ting, 2025). Currently, 17 fixed trains are operated on 11 weekly routes, with increased reliability with the round-trip scheduled lineup. In the first four months of 2025, the number of trains operated via China-Central Asia has doubled compared to the same period last year (RailFreight, 2024).

On the other hand, the India-Middle East-Europe Economic Corridor (IMEC) operates mostly through combined sea-rail transport. It is planned that the goods reaching the Gulf countries by sea from India will be transferred from there to Europe via Israel by rail. It is envisaged that this model, if supported by well-integrated ports and high-capacity rail networks, can reduce trade costs by reducing transportation time. In addition, unlike BRI, IMEC aims to simplify bureaucratic processes and provide secure data flow with elements such as green energy infrastructure and digital customs passes.

4.2. Administrative/Bureaucratic Trade Costs

Even if the infrastructure for BRI projects is complete, administrative delays and bureaucracy can still be a problem (e.g. Central Asian transits). IMEC aims to solve this problem through digitalization and transparent multilateral protocols. Table 4 shows how reduce costs via administrative/bureaucracy trade.

Table 4. Method of Reducing of Projects via Adminisrative/Bureaucracy Trade Costs

Element	BRI	IMEC
Customs integration	China's special customs agreements with some countries	Digital customs systems and the promise of the green transition
Digital infrastructure	China's "Digital Silk Road" project	Recommendation of digital corridor and secure data flow
Corporate structure	State-driven, high uncertainty	The goal of a multilateral, transparency-oriented structure

Even if the infrastructure for BRI projects is complete, administrative delays and bureaucracy can still be a problem (e.g. Central Asian transits). IMEC aims to solve this problem through digitalization and transparent multilateral protocols.

When evaluated in terms of administrative and institutional costs, institutional transparency deficiencies, debt sustainability issues and political uncertainties in some countries where BRI is implemented create additional cost elements in terms of the investment environment. IMEC, on the other hand, as a multilateral and Western-backed structure, claims to offer a more institutional and predictable trade environment. In particular, the harmonization of the European Union with logistics and customs integration increases the potential of IMEC to reduce trade costs.

CONCLUSION

BRI and IMEC are the two most discussed projects. The fact that these projects have not only commercial but also political consequences has brought the concept of geoeconomy to the fore. As a result, both BRI and IMEC projects aim to reduce trade costs by reducing transit time and streamlining administrative processes. Since the infrastructure and governance styles of the two projects are different, their impact on trade is also not homogeneous. From the perspective of the Melitz model, BRI provides physical infrastructure access to a wider geography, while IMEC offers a more limited but institutionally stronger and digitally integration-oriented structure. This situation diversifies the advantages that both projects provide to different types of firms (efficient large firms vs. SMEs).

Both projects attract a lot of attention in terms of global politics as well as global trade. The economic and commercial consequences of the projects will affect global politics. From this point of view, while BRI has started to see practical results and has become a project that can provide institutional and numerical data, IMEC is not yet an old project that can make clear evaluations. Most of the evaluations and analyzes made with IMEC were made based on the potential and future perspectives of IMEC. Considering the data above, it is seen that BRI is a ready and working project. IMEC, on the other hand, is a maturing project and contains a lot of expectations. Time will show how the IMEC project, which is arguably a response to the BRI by the current order, will be a competitor to the BRI in economic and political terms.

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