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The Geopolitical Dimensions of the Development Road Project

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About

Al-Bayan Center for Planning and Studies is an independent, nonprofit think tank based in Baghdad, Iraq. Its primary mission is to offer an authentic perspective on public and foreign policy issues related to Iraq and the region.

Al-Bayan Center pursues its vision by conducting independent analysis, as well as proposing workable solutions for complex issues that concern policy-makers and academics.

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Introduction:

Iraq has announced the launch of the massive Development Road Project, aiming to capitalize on the country's geopolitical location and border crossings with numerous countries by building a transportation network that connects the Gulf region with Turkey. Notably, the Development Road is one among several such projects currently under discussion in the region, aiming to enhance connectivity between countries and improve trade routes.

This project will bolster Iraq's geopolitical and geostrategic status as a corridor for global trade. It will provide financial revenues and job opportunities that could reduce the country's reliance on oil and public sector employment.

First: Geopolitics

Geopolitics is a traditional term that primarily refers to the influence of geography on politics. It is the study of how land—including its terrain, seas, elevations, resources, and location—affects politics, in contrast to how politics strives to leverage these features. Often, it is viewed as a set of strategic thought principles and attributes determined by the relative importance of land and sea power in world history.¹

One of the fundamental premises of geopolitics is the emphasis that a state's geopolitical situation surpasses in importance most characteristics of its political structure. Politics, culture, ideology, the nature of the elite, and even religion are all considered important factors in the geopolitical lens but are secondary compared to the fundamental geopolitical principle of a state's relationship with its space. It becomes evident how politics operates according to geographical determinism—how factors like climate, terrain, and location play a decisive role in shaping state policies. Therefore, any policy not grounded in this science is unlikely to survive and develop.

1 Abdul Munim Abdul Wahhab, *Geography of Political Relations: An Applied Study and Analysis of Geopolitics and Political Geography*, Al-Wahda Publishing and Distribution Foundation, Kuwait, no date, p. 130.



Second: The Development Road

The project serves as a link between the Gulf countries and European nations via Turkey and is based in Iraq, as announced by Iraqi Prime Minister Mohammed Shia' Al-Sudani on May 27, 2023. It is an economic and commercial project of great significance to Iraq and the beneficiary countries. The project connects the Gulf and Turkey through railway lines within Iraq, starting from the Port of Al-Faw and initially ending in the province of Dohuk. The total length of the route will be about 1,200 kilometers, beginning from the Port of Al-Faw in the south and ending at the Turkish border.

The Iraqi government expects the project to cost around 17 billion U.S. dollars, to be implemented between 2024 and 2028. Of this cost, 10.5 billion dollars will be allocated for establishing railway lines, while approximately 6.5 billion dollars will be dedicated to constructing highways along this route. Other components of the project, such as industrial and residential cities and energy storage and transfer centers, will rely on private sector initiatives that will benefit from the land connectivity routes in this project.²

The project is expected to generate about 4 billion dollars annually for Iraq through transit fees and taxes resulting from industrial activities along the route. It will create approximately 100,000 local job opportunities following its completion.

Despite the higher cost of land transportation via railways compared to sea transport, Iraqi authorities aim to attract commercial traffic through the project by reducing the duration of trade trips between East Asia and Europe by half compared to traditional sea voyages. For instance,

² Basheer Hadi Ouda and others, "The Future Vision for the Grand Port of Al-Faw and the Gains for the Iraqi Economy," Proceedings of the Eleventh Scientific Conference, Center for Basrah and Arabian Gulf Studies, 2021, p. 40.



the commercial journey from China's Shanghai Port to the Netherlands' Rotterdam Port takes about 33 days by sea. This duration can be reduced to just 15 days when goods are transported by land from China to Pakistan's Gwadar Port, then to the Grand Port of Al-Faw, and onward to Europe via the "Development Road" project.³

The most crucial point is that the Iraqi route will provide a swift path for transporting oil and liquefied gas produced in the Arabian Gulf region toward Europe via Turkey. Turkey is investing heavily to become a hub for redistributing energy resources to the European market. Notably, since 2022, Europe has increased its reliance on Qatari liquefied gas as an alternative to Russian gas following the outbreak of the war in Ukraine and the cessation of Russian gas supplies to Europe.

From the fundamental geopolitical principle regarding a state's relationship with its location, Iraq's geographical determinism necessitates establishing the dry canal and linking it with the Port of Al-Faw. This will enhance economic and social development achievable after completing both projects through:

- 1. International Competition for Infrastructure Projects:** With Iraq's emerging strategic role, countries like China, Turkey, Qatar, and Saudi Arabia are leading in expressing their desire to contribute and invest in this ambitious Iraqi initiative.
- 2. Complementing the Suez Canal:** Serving as an alternative, the project will save time, cost, and increase security in transporting goods. It will amplify Iraq's economic and geopolitical role in the long term. Some analyses compare the sensitive role this project will play to the historical strategic and logistical role of the Suez Canal. Egypt's absence from the conference

³ Malik Daham Al-Jumaili and Lamia Muhsin Al-Kanani, "Iraqi-Kuwaiti Relations and the Issue of Mubarak Port," *International Studies*, Issue No. 52, p. 21.



announcing this project in Baghdad hints at its sensitivity toward potential competition with the Suez Canal.

- 3. Enhancing Economic Development:** By generating transit fee revenues from the transportation of goods, the project will contribute to increasing Iraq's Gross Domestic Product (GDP).
- 4. Employment Opportunities:** The project will employ labor in the transportation sector, offering a chance to reduce Iraq's unemployment rate.
- 5. Reducing Commodity Prices:** Shortening distances, especially after completing the Grand Port of Al-Faw, will lower prices. This port will be a crucial link in connecting multimodal transport in Iraq, potentially changing the global maritime transport map. Therefore, completing the dry canal project must coincide with finishing the Grand Port of Al-Faw; neither project is beneficial without the other.

Key Components of the Project Include:⁴

- 1. Connecting East and West:** This vital, promising strategic project will link Iraq's ports with Turkish ports, European countries, and extend to the Caucasus nations.
- 2. Dual Lines:** The project will feature two double lines—a railway and an international express highway. Economic activity along these lines will boost the economies of over 10 provinces it passes through, including the development of industrial and residential cities and recreational areas.
- 3. Strategic Economic Leap:** Economists view the Development Road project as a significant move toward leveraging Iraq's geopolitical advantag-

4 Ilham Khazaal Ashour and others, "The Grand Port of Al-Faw: A Fundamental Pillar for Enhancing Iraq's Economic and Geographical Position," Proceedings of the Grand Al-Faw Conference, Center for Basrah and Arabian Gulf Studies, University of Basrah, 2021, p. 157.



es and its energy, agricultural, mineral, and human resources, enhancing its position in the global economy, transportation networks, supply chains, and international trade routes.

Challenges Facing Iraq that May Hinder the Projects:

- 1. Geopolitical Challenges:** Iraq holds significant geostrategic importance in the strategies of major powers and will remain a focal point of international attention due to various reasons. It serves as an optimal geographical area for U.S. movements toward the Arabian Gulf, given its distinguished global position.
- 2. Internal Challenges:** A state's geopolitical weight is influenced by its ethnographic composition—both national and religious—which affects population cohesion and unity, impacting the state's weight and political stability. Ethnography studies diverse cultures and behavioral patterns worldwide. Iraq is a nation of multiple nationalities and religions with varied geographical distributions.
- 3. External Challenges:** Real challenges in the maritime domain stem from neighboring countries' diverse commercial objectives and competition for economic gains. The Gulf countries exhibit political caution, especially with the rise of terrorism and Iran's strong regional role. Development projects are inevitably influenced by political considerations and may become tools in regional conflicts. The dry canal and Grand Port of Al-Faw projects are not exempt from these conflict dynamics.
- 4. Iran's Position:** Iran remains cautious about the new Iraqi project, which would facilitate its trade with the outside world but also competes with an Iranian project with similar objectives.



5. Influence of Regional Parties: Iraq's internal political balances are often affected by the positions and disputes of regional parties that have varying degrees of influence over Iraqi political forces.

Third: Impact of Iraq's Geopolitical Location on Developing the Development Road Project

The geopolitical significance of Iraq's location has spurred many countries to compete for investment opportunities, recognizing that the new Iraqi project holds substantial potential, especially for oil and gas-producing nations seeking to enhance their petroleum export methods.

1. The Emir of Qatar, Sheikh Tamim bin Hamad Al Thani, made an official visit to Iraq, during which several investment agreements and cooperation memoranda were signed. Qatar announced plans to invest 5 billion dollars into various sectors, with a significant focus on projects related to the Development Road, particularly in energy and liquefied gas supply lines. These projects are expected to be completed by 2028, aligning with the Development Road's timeline.
2. Saudi Arabia entered the competition with Qatar early in this field. In parallel with the unveiling of the Development Road project, the city of Jeddah hosted a summit for the Saudi-Iraqi Coordination Council, where a series of agreements and memoranda of understanding were signed in the oil, gas, and transportation sectors. An agreement was also reached for an investment partnership in logistics projects aimed at facilitating the work of oil companies. The establishment of the Saudi-Iraqi Company was announced, which will serve as the investment arm of the Saudi Public Investment Fund, focusing on infrastructure, mining, and real estate development in Iraq. All of these investments are aligned with the objectives of the Development Road project, particularly in terms of building the necessary infrastructure to transport energy resources through Iraq.



3. China has shown significant interest in the Development Road project, seeing it as a complement to its Belt and Road Initiative. The project would facilitate and accelerate the export of Chinese goods to Europe. Reflecting this interest, the Chinese ambassador to Iraq, Cui Wei, visited Iraqi Prime Minister Mohammed Shia al-Sudani less than a week after the project's announcement to express China's eagerness to explore investment opportunities in the Development Road. He also conveyed China's readiness to offer technical advice to the Iraqi government. Following this, senior officials from both Iraqi and Chinese governments held a series of meetings, discussing the potential expansion of the "oil for infrastructure" mechanism. This arrangement would allow Chinese companies to invest in infrastructure related to the Development Road project in exchange for China receiving Iraqi oil, further strengthening their economic partnership.
4. Turkey was the first regional country to express strong interest in supporting and investing in the Development Road project, recognizing its long-term benefits, particularly in facilitating the supply of energy resources from the Gulf through Iraq and into Europe. Turkish President Recep Tayyip Erdogan treated the Iraqi initiative as if it were a Turkish project, highlighting its strategic importance for both countries. Following a meeting with Iraqi Prime Minister Mohammed Shia al-Sudani, Erdogan instructed his ministers to coordinate with their Iraqi counterparts to actively work toward the realization of the Development Road project. He also pledged Turkey's commitment to collaborating closely with Iraq to ensure the successful completion of the project.

The Iraqi government carefully timed the project's announcement on May 27, 2023, coinciding with the reconciliation between Saudi Arabia and Iran, which led to restoring diplomatic relations between the two nations.



Conclusion:

The Development Road is a significant project with geopolitical and strategic implications for Iraq. It could serve as an opportunity and incentive for the Iraqi government to boost economic activity, develop imports, and reduce dependence on a rentier economy. Additionally, it will enhance Iraq's aspired status in the international and regional economy as a vital conduit for global commercial transport. Successful implementation of the Grand Port of Al-Faw will generate substantial economic, political, and security benefits and create developmental opportunities as the project unfolds.





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and a participating society**

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