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Development Road Project: Transforming Türkiye-Iraq Relations

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President Erdogan's visit to Baghdad resulted in the signing of 26 agreements, including a landmark quadrilateral memorandum with Türkiye, Iraq, the UAE and Qatar for the Development Road Project (DRP). The DRP aims to connect the Persian Gulf to Europe through Türkiye, enhancing economic prospects, strategic value, and regional stability. This transformative project is set to generate significant revenue, create jobs, and elevate Türkiye-Iraq relations to a new strategic level while offering a favourable alternative to existing trade routes.

Introduction

President Erdogan visited Baghdad on April 22, 2024, after 13 years and this visit resulted in the signing of 26 agreements between Ankara and Baghdad.¹ Among these agreements, especially the quadrilateral memorandum of understanding² signed by Türkiye, Iraq, the United Arab Emirates (UAE) and Qatar for cooperation on the *Development Road Project* (DRP), made the headlines as its scope went beyond the bilateral arrangements between Ankara and Baghdad and arguably put some flesh on the prospects and feasibility of the project.

The DRP is envisioned to connect the Persian Gulf to Europe via Türkiye with the construction of 1,200 km-long railways and motorways from Basra to the Turkish border in the north. The Al Faw Grand Port, whose construction is underway at full speed in Basra, is the starting point of the DRP and it is set to be the largest port in the Middle East and one of the largest in the world once it is completed in 2025. With an envisioned 90-berth capacity, the Al Faw Grand Port is expected to surpass the 67-berth Jebel Ali Port in Dubai, which is the largest in the Middle East so far. The 1,200 km-long railway and motorway lines are planned to pass through the cities of Diwaniyah, Najaf, Karbala, Baghdad and Mosul to the Turkish border. The DRP will have access to Türkiye's main port in the Mediterranean, Mersin Port and Europe via Istanbul through a land route from the Turkish border onwards.³

PEG Infrastructure, an Italian company, is responsible for the design of the railway and motorway lines. Thanks to the rich experience of PEG in infrastructure projects, it runs the feasibility study of the project, provides consultancy on the ideal route, necessary facilities around the stations along the line, geographic analysis of the route, locations and other properties of the industrial zones across the route and so on.⁴

The DRP is expected to generate an annual revenue of \$ 4 billion as well as at least 100,000 jobs.⁵ This lucrative outlook has been the main motivation of Baghdad for years in its long-term goal of creating a non-oil economy for Iraq. Aside from tapping Iraq's connectivity potential, the DRP provides a very favourable alternative to other connectivity projects connecting Asia to Europe such as the *India-Middle East-Europe Economic Corridor* (IMEC). Due to the multimodal concept, and additional loading and unloading points

¹ Diyar Guldogan, "Türkiye, Iraq sign 26 agreements", AA, 23 April 2024, [Türkiye, Iraq sign 26 agreements \(aa.com.tr\)](https://www.aa.com.tr).

² "PM and Erdogan sponsor MoU between Iraq, Turkey, Qatar, UAE", *Iraqi News Agency*, 22 April 2024, [PM and Erdogan sponsor MOU between Iraq, Turkey, Qatar, UAE » Iraqi News Agency \(ina.iq\)](https://www.ina.iq).

³ Mehmet Alaca, "Turkish president's Iraq visit to boost momentum for Development Road project", AA, 22 April 2024, [Turkish president's Iraq visit to boost momentum for Development Road project \(aa.com.tr\)](https://www.aa.com.tr).

⁴ Author interview with Mr Mehmet Alaca, 6 June 2024.

⁵ Neil Halligan & Sinan Mahmoud, "What is Iraq's Development Road and will it challenge US and China trade routes?", *The National News*, 26 April 2024, [What is Iraq's Development Road and will it challenge US and China trade routes? \(thenationalnews.com\)](https://www.thenationalnews.com).

envisioned within IMEC, it is doomed to cost more and take a longer time to transport goods along the corridor⁶ compared to the DRP.

Boosting Strategic Value

Although the DRP offers attractive economic prospects to especially Iraq and Türkiye, it is also about increasing the strategic value and significance of both Türkiye and Iraq in regional and international geopolitics. Like oil and gas pipelines increase the strategic importance of the regions or countries they traverse – which has informed Turkish decision-makers’ decades-long desire to turn Türkiye into an energy hub – railways, motorways and marine routes connecting countries and areas for trade and logistics also increase the strategic value and significance of the countries and regions in question. Just as pipelines, connectivity projects and routes involve many stakeholders as investors and beneficiaries. From investors to beneficiaries in many respects, all regional and global stakeholders of the connectivity projects attach much greater importance to the countries and regions through which the connectivity routes pass. The geographic locations of the countries through which the connectivity routes pass are already –usually the most – convenient routes for launching such projects. Hence, the geographic locations of the countries in question are turned from dormant, passive or potential assets into active strategic assets by initiating connectivity projects. By initiating connectivity projects via their territories, countries render themselves as indispensable actors for both regional and global geopolitics.

Investment in Stability

Türkiye and Iraq are investing in their long-term stability by spearheading the DRP, which is a highly coveted and rare commodity in the Middle East. The lack of long-term stability, rapidly changing dynamics, frequent eruptions of conflicts across the region etc. all make long-term planning and implementation of development impossible for regional countries. A quick look at Iraq’s post-2003 intervention history reveals the extent of destabilising dynamics such as occupancy, insurgency, state collapse, civil/sectarian war, violent extremism and so on. Despite gigantic oil resources, a series of deeply destabilising dynamics have been preventing the country’s prospects of prosperity and development. Waste of national resources and capacities has been the main result of these phenomena for decades, and thus overcoming them has been the main challenge for many countries in the region. The initiation of the DRP is a way of making many regional and international actors partners in building and sustaining the stability of Türkiye and Iraq as stakeholders of the project. It is a way for Türkiye and Iraq to share the burden of building and sustaining their stability with partners and stakeholders. By turning themselves into indispensable elements or even ‘the axes’ of a highly profitable and wide network, Ankara and Baghdad hope to render their stability a stake for many regional and international actors. By constituting the main axis of a precious value chain between Asia and Europe, Türkiye and Iraq but especially Iraq and its stability will be a priority for many countries from Asia and Europe and the latter will expectedly make Iraq’s stability a priority of their own and politically and economically contribute to it with. In the absence of the DRP, understandably Iraq’s stability *per se* does not amount to a high priority for many countries, when they are not directly tied to Iraq in the form of a value chain or if they are not neighbouring it. But once Iraq is tied to many countries, starting from the immediate region and reaching further to Asia and Europe via the

⁶ Shaul Chorev, “The India-Middle East-Europe Economic Corridor: Promises and Challenges”, *Australian Institute of International Affairs*, 25 October 2023, [The India-Middle East-Europe Economic Corridor: Promises and Challenges - Australian Institute of International Affairs - Australian Institute of International Affairs](#).

DRP, many countries will be directly tied to Iraq through tangible interests such as trade, infrastructure, logistics, investments and so on.

More importantly, the DRP will be a boon and a powerful incentive for a lot of disparate domestic actors, which have arguably been the main sources or causes of instability in Iraq for more than a decade due to their incompatible interests, power struggle, sectarian tensions and so on. Except for a tiny strip of the Kurdish region in the north, the DRP traverses a huge landmass that is home to the majority of the Iraqi population. By traversing and covering almost the whole of Iraq, the DRP is set to offer infrastructure, development and economic benefits to all communities, Shiite or Sunni; to all actors, military, religious, political or civilian. This seems to be the main reason for the almost unanimous consent to or at least a tacit approval of the DRP by many domestic actors in Iraq. Highways, railways, logistical centres, business facilities, possibly oil and gas pipelines etc. promise to contribute to the prosperity of several actors and communities at both local and national levels. Economic promises of the DRP are expected to function as the common material interest of many disparate domestic actors and as a force to mitigate tensions among them, paving the way for Iraq's long-term stability.

Deepening Interdependence

Türkiye-Iraq bilateral relations have been marred by a series of complications since 2003 American intervention in Iraq. Despite the bright spots in trade and energy as areas of cooperation, differences between Ankara and Baghdad over several issues have arguably weighed more, or at least cast a shadow over the full potential of bilateral relations.

There is already a considerable level of interdependence between Türkiye and Iraq and an appreciation of each other's significance as neighbours, however, the DRP is poised to elevate the existing interdependence to a whole new strategic level. The new strategic level of interdependence that would be generated by the DRP is hoped to become so crucial and central to the bilateral relations that it would render all differences over several issues between the capitals secondary and trivial. Thus, one of the expected benefits of the DRP is its function to overcome the disagreements between Ankara and Baghdad.

Insurance of Territorial Integrity

For Türkiye one of the greatest expected benefits of the DRP is its intended function in ensuring the territorial integrity of Iraq. Aside from being a century-long normative and consistent foreign policy position, the territorial integrity of Türkiye's neighbours has always been an essential priority for Ankara as the lack of it would have real and direct implications for Türkiye's territorial integrity. Türkiye has been fighting a secessionist terror group, PKK since 1984 but what triggered a 'territorial anxiety' is the respective dissolution of central state structures in Iraq and Syria respectively.

The activities of Syria's YPG-led Syrian Democratic Forces (SDF), considered by Ankara the PKK's Syria offshoot, have given Ankara reason to be concerned. Although Türkiye sporadically targets YPG/SDF figures and elements in northern Syria, mostly through covert drone strikes, Türkiye has rather a narrow area of manoeuvre in northern Syria against the unilateral aspirations of YPG/SDF. Partly because of this limitation in northern Syria against YPG/SDF, Türkiye has concentrated its counter-terrorism operations against PKK in northern Iraq. However, Ankara is aware that eliminating PKK members through CT operations alone cannot ensure the killing of PKK's secessionist agenda. The political determination of Baghdad to maintain Iraq's territorial integrity as well as solidarity between Ankara and Baghdad in the face of a common woe is crucial to preclude PKK's secessionist aspirations.

However, the DRP is set to transform the solidarity between Ankara and Baghdad. The DRP promises to generate a rather positive dimension for solidarity by introducing a ‘pull factor’, an incentive as opposed to the existing ‘push factor’ or negative dimension only.

Not Only Logistics

Connectivity projects are not only about logistical convenience. As showcased by the most high-profile connectivity project, *The Belt and Road Initiative* (BRI), they envision a new geopolitical design and architecture. They have transformative power over the regions they traverse, the regions they connect and over the nature of relations and interactions among the partners of such projects. The DRP also arguably entails transforming the regions, Türkiye and Iraq at the minimum; the regions they connect, Türkiye, Gulf, Asia and Europe; and expectedly the nature of interactions among these regions. And the interconnectedness of these regions inevitably invites the partners to view each other through a different lens than before. The integration of regions and countries with each other through connectivity projects entails envisioning a common future among the partners, which also means a new geopolitical reality.

It is (still) Logistics

The motivation and interest of both Ankara and Baghdad to launch the DRP is not only about logistics but had it been so, the DRP makes perfect sense, too. The existing routes in international trade and shipment between Asia and Europe are mainly the Suez Route through the Red Sea and the Suez Canal or the Cape Route via the Cape of Good Hope. The latter has already substituted the former to a great extent due to the ongoing Red Sea crisis brought about by the disruptive attacks of Ansar Allah or Houthis in Yemen. However, the average time of shipment via the Cape Route is 45 days, a considerable leap from the average time of shipment via the Suez Route which is 35 days. The DRP promises to shorten even the average time of shipment via the Suez Route, which is much shorter than the Cape Route, with an estimated 25 days.⁷ Indeed, the ongoing regional conflict and instability surrounding the Israeli-Palestinian conflict cause probably a temporary disruption of the usual route and volume of international trade. However, even at times and based on the assumption of peace and stability, both Suez and Cape routes offer both a longer time as well as higher costs of transportation.

On the other hand, no matter how temporary, the forced diversion of international trade from Suez to Cape Route has already taken a huge toll. The volume of maritime traffic through the Red Sea and the Suez Canal dropped by 80 % from the pre-crisis level. The fleets from the carriers which preferred diversion accounted for 62 % of the global shipping capacity⁸. This crisis and the affiliated toll provide a very conducive environment for boosting the DRP by giving additional impetus to Baghdad and Ankara.

The conducive environment to make the case for the DRP is not only created by the temporary and contextual Red Sea and Gaza crises. In the greater scheme of global economic activity both in terms of global trade and global GDP growth, there has been an economic slowdown since 2010, not recuperated yet, and it has been worse since the COVID-19 pandemic⁹. Under these circumstances, every penny matters for both individual countries and

⁷ Mehmet Alaca, “Turkish president’s Iraq visit to boost momentum for Development Road project”, AA, 22 April 2024, [Turkish president's Iraq visit to boost momentum for Development Road project \(aa.com.tr\)](https://www.aa.com.tr/en/news/2024/04/22/turkish-president-iraq-visit-to-boost-momentum-for-development-road-project).

⁸ Rajeev Master, “Red Sea Crisis: How Rerouting is Impacting Shipping Costs”, GEP, 11 March 2024, [Red Sea Crisis: How Rerouting is Impacting Shipping Costs | GEP](https://www.gep.com/en/red-sea-crisis-how-rerouting-is-impacting-shipping-costs).

⁹ Katharina Bucholz, “Economic Slowdown Felt Around the World”, Statista, 11 April 2019, [Chart: Economic Slowdown Felt Around the World | Statista](https://www.statista.com/chart/10000/economic-slowdown-felt-around-the-world/).

the global economy. Hence, the marginal significance of cutting costs and transportation distance in international trade has dramatically increased.

Gulf Dimension

It is natural for both Ankara and Baghdad to court funds and investment from outside as they would struggle to find the necessary amount of investment, which is estimated to be around \$ 17 billion, for such an ambitious project, especially during the time of economic and financial hardship for both.

There are two natural and desired hinterlands for the DRP: the Gulf and the Middle East as the immediate inner circle; and East Asia as the desired outer circle. These circles signify both the main beneficiaries and stakeholders of the DRP but also the desired funders of it. As the capital powerhouse of the region, the Gulf is the most logical and immediate candidate to invest in and later benefit from the project in the short and medium term. And within the Gulf, particularly the UAE and Qatar come to the forefront among other Gulf countries with their huge financial capital but more importantly, their long-time ambition for a greater role in regional and global geopolitics. Furthermore, especially the UAE is known to be extremely interested and involved in the logistics sector and several connectivity projects. As the UAE has long positioned itself as a hub between Asia, Africa and Europe, another connectivity project in which the UAE will be a significant stakeholder offers the value of strategic diversification. The UAE's Abu Dhabi Ports Group already signed a preliminary agreement with the General Company for Ports of Iraq to develop Al Faw Grand Port and its economic zone. The former is set to operate upon its completion.¹⁰

The deep-seated competition dynamic between the UAE and Qatar is often very consequential in the respective countries' foreign policy decisions. So much so that, despite the wider normalisation drive within the GCC, it is not possible to find another pair of countries between which the relative competition and tension are higher. Hence, the participation of both countries, at least their interest and willingness to contribute to the DRP is both a boon and a silver lining to ensure the long-term stability of the project in particular and the region in general. As arguably the two fiercest rivals in the region are set to share a strategic interest and stake in the same project, there would be very little reason for either of them to make a destabilising move against another across the region.

DRP's Place and Prospects among Other Connectivity Projects

In the rapidly evolving landscape of global connectivity projects, various initiatives vie for prominence, each with its unique vision and scope. The Russia-led *North-South Corridor's* estimated cost is \$15.4 billion¹¹, which is less than that of the DRP. However, the beneficiaries and stakeholders seem limited to Russia, Iran, and – at best – India. In light of the ongoing geopolitical tensions, which are arguably set to grow between Europe and Russia, it is unlikely that Europe would opt to use or benefit from Russia's St. Petersburg as the outlet of a trade corridor originating from India. In this case, the *North-South Corridor* loses its primary motivation and meaning.

All major connectivity projects, including the BRI, IMEC, and now DRP, generally envision Asia as the “producing power” and Europe as the “consuming power”. While these corridors

¹⁰ Alkesh Sharma, “AD Ports join Iraq to develop Al Faw Grand port and its economic zone”, *The National News*, 3 April 2024, [AD Ports joins Iraq to develop Al Faw Grand port and its economic zone \(thenationalnews.com\)](https://www.thenationalnews.com).

¹¹ “Project North-South Corridor”, *Australia New Zealand Infrastructure Pipeline*, [North South Corridor - Infrastructure Pipeline](#).

will facilitate trade from Europe to Asia as well, the bulk of the trade is expected to flow in the opposite direction. Europe might export more quality-intensive goods, but the quantity-intensive export of goods is expected to be dominated by Asia, based on the current economic profiles of Asia and Europe. Hence, without Europe being the main beneficiary of the trade, the *North-South Corridor's* prospects do not look promising.

Even if Russia exports its main commodities such as oil and gas via this corridor, its demand capacity alone cannot sustain the corridor and would not attract the necessary investment appetite. This is the main weakness of the *North-South Corridor*, even before considering the economic feasibility details. Since Europe does not seem to be a likely beneficiary of this corridor, the DRP and the *North-South Corridor* do not compete for the same goal.

Likewise, there can be no comparison between the gigantic BRI and the DRP. The DRP is much more regional than the BRI, at least in terms of the amount of infrastructure to be built and the territories it spans. There is no challenge to the BRI by the DRP, especially on the land route of the Middle Corridor, which is supposed to reach Türkiye either via Iran or via Armenia if peace between Azerbaijan and Armenia can be achieved in the future. The DRP is targeting the trade conducted via maritime routes from India and farther East Asia.

Currently, the BRI does not envision using the Persian Gulf as its marine route, which encompasses stops at Kenya and Djibouti and continues to the Suez Canal via the Red Sea. However, when China planned the BRI's marine route, they had not taken the DRP into account.

If the DRP's route via the Persian Gulf seems more cost- and time-efficient, China might even consider rerouting and supporting the DRP. It seems that China is still deciding about the DRP. At least, Chinese officials do not view it as a rival or a threat for the time being. On the contrary, they welcome it "as long as it works for the benefit of all partners and does not target any particular actor".¹²

IMEC is much costlier, with a price tag of \$20 billion¹³, compared to the DRP. It is safe to say that the DRP is a rival and an attractive alternative to IMEC. Although it was not envisioned as a rival to any other project by Iraq, considering the long history of the project's conceptual idea, it gained impetus right after the declaration of IMEC at the G20 summit, which bypassed many significant regional countries such as Iran, Türkiye, and Iraq. Since Türkiye and Iraq were already excluded from the IMEC architecture, throwing their full weight behind the already more feasible DRP suddenly made much greater sense.

Compared to the DRP, the multi-modal nature of IMEC is its main weakness, as it relies first on marine, then railway, and then again on marine routes and modes of transportation. The second weakness is the sheer size of the landmass it has to traverse via Saudi Arabia to build the needed railway. Apart from the material and economic downsides, it also faces a more political difficulty. IMEC reflects a geopolitical vision to cement the integration of Israel with friendly Arab nations such as Jordan, Saudi Arabia, and the UAE. Although the normalization of relations between Saudi Arabia and Israel was already underway prior to October 7, the current political atmosphere is much less conducive and even discouraging for such an eventuality. This puts the prospect of realizing IMEC in the balance for the time being.

Lastly, the DRP is different from all other ambitious connectivity projects because it does not reflect the grand geopolitical vision of a great power, unlike the BRI and IMEC. While the IMEC reflects the American geopolitical and geo-economic vision, the BRI reflects that of

¹² Meeting with Officials from the Central Committee of the Communist Party of China, 11 June 2024, Ankara.

¹³ Navdeep Suri et al., "India-Middle East-Europe Economic Corridor: Towards a New Discourse in Global Connectivity", *Observer Research Foundation*, 9 April 2024, [India-Middle East-Europe Economic Corridor: Towards a New Discourse in Global Connectivity \(orfonline.org\)](https://www.orfonline.org/research/india-middle-east-europe-economic-corridor-towards-a-new-discourse-in-global-connectivity/).

China. Similarly, to a lesser extent, the *North-South Corridor* reflects the vision of a lesser power compared to both the US and China as Russia envisions itself as the core of the said project. The DRP is much more interest- and trade-driven, and thus much less ambitious and modest compared to the grand geopolitical visions and ambitions of great powers reflected in their respective connectivity projects. A quick look at the current stakeholders of the DRP, Türkiye, Iraq, Qatar and the UAE, demonstrates the main difference between the DRP and other grand connectivity projects of great powers. Naturally, a grand geopolitical vision and design are the starting point and arguably the *raison d'être* of such logistical corridors and routes in which the latter is subservient to the former. However, none of the current stakeholders of the DRP is a great power capable of either envisioning or enforcing a grand geopolitical vision and design to the extent of those of the great powers. Hence, they do not claim or aspire to grand geopolitical designs via connectivity projects, and connectivity projects are not a means to achieve geopolitical ends. The stakeholders of the DRP are much more pragmatic in their motivation as they are driven by the prospects of economic profit, development and capitalising on their respective geographic locations to render their respective countries more important for global affairs.

DRP's possible Risks

Despite all the promises and expected benefits of the DRP for many domestic, regional and international actors, it is not free of risks and questions of viability. From a financial viewpoint, the feasibility of the project can always be put into question by prospective investors and stakeholders. However, as long as there is a strong political will on the part of the main stakeholders, financial questions can be deemed secondary.

Still, the DRP might face political and military challenges. First, the “outsiders”, i.e. regional countries that are not envisioned to be a part or partner of the DRP, might take steps to undermine the DRP in different ways based on their respective capacities or tools at their disposal. Iran, Saudi Arabia and Israel seem to be the main regional outsiders to the DRP. With strong ties to many Iraqi religious, political and military actors, Iran’s potential to undermine the DRP is arguably greater than Saudi Arabia and Israel. Saudi Arabia and Israel have vested interests in seeing the IMEC realised rather than being bypassed by the materialisation of the DRP.

Second, great powers such as the US and China, which envisions their connectivity projects might deem the DRP as a rival and take steps to undermine the prospects of the DRP through various tools and methods. One of the ways for the US and China to undermine the DRP might be by deterring their respective allies and partners from taking part in the DRP and thus putting a dent in the viability of the project from the get-go.

Lastly, the existing fault lines and vulnerabilities of Iraq constitute a formidable risk for the materialisation of the DRP. Ethnic and sectarian fault lines coupled with the abundance of multiple military and political formations constitute the main “static” risk factors in Iraq. Furthermore, the entanglement of the complex domestic map of actors in Iraq with external actors, such as Iran, further increases Iraq’s proneness to instability. Regional tensions and conflicts such as the Israeli-Palestinian conflict proved to be capable of putting Iraq’s stability in danger as Iraq was caught between Iran and the US on the one hand and Iran and Israel on the other hand within the framework of the ongoing Israeli invasion of Gaza.

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