

The GCC Contract Logistics Market is anticipated to register a CAGR of 7% during 2023-2028- Market Size, Share, Forecasts, & Trends Analysis Report by Mordor Intelligence.

According to a new market research report titled, "GCC Contract Logistics Market Share-2023-2028", the GCC contract logistics market is expected to grow at a CAGR of 7%. The United Arab Emirates has strong economic ties with Saudi Arabia, Kuwait, Bahrain, and Oman in the GCC. Under the Greater Arab Free Trade Area Agreement (GAFTA), the United Arab Emirates has free trade access to Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Syria, Tunisia, and Yemen. The United Arab Emirates has been focusing on improving its trade agreements to develop the level of trade and economic cooperation as per the laws prevailing in each country and diversify aspects that can boost the economy and promote sustainable development.

In September 2021, the United Arab Emirates and India proposed a free trade agreement to conclude a comprehensive trade negotiation by December 2021. They decided to sign a formal free trade agreement in early 2022 to achieve over USD 115 billion in bilateral trade in the next five years.

Global Contract Logistics Market -What is driving the growth of the Market?

The growing e-commerce activities are expected to drive the UAE freight forwarding market. In the second quarter of 2021, statistics from the "State of the Retail Sector in the United Arab Emirates" study highlighted that the recovery that began earlier in the year appeared to continue.

- According to the report, e-commerce sales in the United Arab Emirates increased by 17% in the first half of 2021 compared to the same period the previous year.
- In the third quarter of 2021, Dubai's consumer confidence reached its best level in over 10 years.
- Compared to the same quarter in the previous year, e-commerce will expand by 34% in the third quarter of 2021.
- E-commerce in Saudi Arabia is experiencing rapid growth amid the COVID-19 pandemic, demanding stronger supply chains, which will drive the freight forwarding market.
- The growing exposure of social media platforms in the region also contributed to more online engagement, which converted into e-commerce sales for businesses in the country.
- E-commerce is expected to be one of the biggest growth drivers for the freight forwarding market in Saudi Arabia.
- According to sources, the number of users will reach 34.5 million by 2025, and user penetration is anticipated to reach 92.5% by 2025.

From the beginning of 2021 to the end of August 2021, the e-commerce sales in Saudi Arabia totaled SAR 44.244 billion (USD 11.7 billion), topping the previous years' purchases.

Increasing Pharmaceutical and Healthcare Driving the Contract Logistics Market

The Saudi pharma market is considered one of the fastest-growing markets, with strong export potential to serve MENA and OIC (Organization of Islamic Countries) with a total market of USD 120 billion.

Another key factor driving the growth of the pharmaceutical market in Saudi Arabia is the country's strategic move to allow 100% FDI in the pharmaceutical sector. Over 81% of generic pharmaceuticals taken in Saudi Arabia are imported, and the country has only one significant API manufacturer. The Kingdom's generics market grew to USD 763 million in 2020, accounting for 72% of the Middle East and North African (MENA) industry.

Recent developments in the **GCC Contract Logistics Market**

In June 2021, Naqel Express, Saudi Arabia's leading express logistics and supply chain company with the largest seamless network, officially opened its gateway facilities at King Abdulaziz International Airport (KAIA) and its new Pharma and Cold Chain warehouse facilities in Jeddah.

In November 2021, Maersk signed an agreement with the Saudi Ports Authority (Mawani) to invest USD 136 million over 25 years to establish an Integrated Logistics Park at the Jeddah Islamic Port in Saudi Arabia.

Who are the key players in the GCC Contract Logistics Market?

The GCC contract logistics market is extremely fragmented. The contract logistics market is getting a lot of traction in the GCC region.

- Agility Logistics Pvt. Ltd
- Gulf Warehousing Company QPSC (GWC)
- Al Futtaim Logistics
- Almajdouie Logistics Co. LLC
- Ceva Logistics
- Yusen Logistics Co. Ltd
- DB Schenker
- Al Futtaim Logistics
- Mac World Logistics LLC
- Almajdouie Logistics Co. LLC
- Deutsche Post DHL Group (DHL Supply Chain)

Recent developments in the GCC Contract Logistics market

- In June 2021: MDR signed a 5-year contract with Farabi Petrochemicals Company, the largest producer of Linear Alkyl Benzene in the Middle East. In line with the agreement, MDR will provide operation, maintenance, and product handling services at the company's Jubail facility.
- In October 2021: SAL Saudi Logistics Services, a market-leading air cargo handler, signed a cargo ground handling agreement with Qatar Airways Cargo. SAL will provide comprehensive ground logistics support at Saudi Arabia's main airports, including Riyadh, Jeddah, Dammam, and Medina.

In a nutshell, the Mordor Intelligence GCC Contract Logistics Market Research Report is a must-read for start-ups, industry players, investors, researchers, consultants, business strategists, and all those who are looking to understand the GCC contract logistics industry. Get a glance at the <https://www.mordorintelligence.com/industry-reports/gcc-contract-logistics-market>

About Mordor Intelligence

Mordor Intelligence is a market intelligence and advisory firm. At Mordor Intelligence, we believe in predicting butterfly effects that have the potential to change or significantly impact market dynamics.

Our market research reports are comprehensive and provide exclusive data, facts and figures, trends, and the competitive landscape of the industry.

Mordor Intelligence constantly tracks industry trends. Some relevant market reports from the analysts that might be of interest to you:

- <https://www.mordorintelligence.com/industry-reports/asia-pacific-apac-contract-logistics-market>
- <https://www.mordorintelligence.com/industry-reports/japan-contract-logistics>
- <https://www.mordorintelligence.com/industry-reports/north-america-contract-logistics-market>
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