

The Saudi Arabian Freight and Logistics Market is anticipated to register a CAGR of 6.53% during 2023 - 2028 - Market Size, Share, Forecasts, and Trends Analysis Report by Mordor Intelligence.

According to a new market research report titled “Saudi Arabian Freight and Logistics Market – (2023 – 2028),” the Saudi Arabian freight and logistics market is expected to grow at a CAGR of 6.53%. The prospects for growth of the Saudi logistics industry look promising over the next five years as economic diversification, policy reforms, tax regimes, and foreign direct investment (FDI) policies are shifting in favor of an open economy and encouraging private investment. Until recently, Saudi Arabia was a closed market. However, recent initiatives for economic diversification have opened doors to industrial, retail, and logistics players worldwide by allowing 100% ownership.

Some of the major market trends in Saudi Arabian Freight and Logistics Market ?

With the Saudi Vision 2030, the Saudi government is actively looking into reforming governance structures and regulations and heading toward opening a path for market liberalization and private-sector participation. The government is planning to become more open to issuing licenses for full-fledged foreign logistics businesses.

- Due to the initiative by the government, new entrants are expected to fill the gap in Saudi’s overall logistics landscape.
- Vision 2030 also includes the creation of greenfield industrial sites and cities.
- One of the most notable projects is the King Abdullah Economic City, primarily focused on industry and logistics.
- It is about 70 km north of the Red Sea port of Jeddah.
- The city has its own seaport, the King Abdullah Port, with a current capacity of handling 1.4 million TEU and aspires to reach a capacity of 10 million TEU.
- The country is strengthening its logistics competitiveness and contributing toward increasing the volume of non-oil exports.
- The country’s sources of income are also being diversified in accordance with the objectives of Vision 2030.

The size of the maritime sector has doubled in the past decade, bringing the number of ships operating in it to 53,000 marine vessels registered in 150 countries and carrying 11 billion tons of cargo annually, as reported in April 2021. The country aims for the private sector’s GDP contribution to reach 60% from 40%.

How is Growth Being Addressed?

The supply chain responded to the increased competition in the last mile as e-commerce operations grew due to the pandemic. Last-mile logistics will be a highly competitive space as companies look to their supply chains to give the best possible customer experience. This will call for technological innovation to enable retailers to scale-up home delivery systems quickly once normality returns.

As part of the Financial Sector Development Program, which is also a part of Vision 2030, the government plans to increase the proportion of online payments to 70% by 2030, up from the 2020 target of 28%. Logistics and infrastructure are set to witness growth during the forecast period due to the factors mentioned above.

Who are the Key Players in the Saudi Arabian Freight and Logistics Market?

The freight and logistics market in Saudi Arabia is fiercely competitive, fragmented with many international and domestic companies. The top players in the segment include:

- Agility Logistics Pvt. Ltd
- DB Schenker
- Deutsche Post DHL Group
- Bahri
- Almajdouie Group
- Aramex
- Gulf Agency Company Ltd (GAC)
- Al-Futtaim Group
- Ceva Logistics
- Kuehne+Nagel
- Kuehne+Nagel

Recent developments in the Saudi Arabian Freight and Logistics Market:

- In January 2022, the Saudi Transport and Logistics Ministry inaugurated the first phase of the Saudi Logistics Services' Jeddah station extension at the King Abdulaziz International Airport. The project is expected to boost the annual capacity of the company, which is a member of the Saudi Arabian Airline Corp., to 1.1 million tons.
- In January 2022, Saudi Arabia and Greece signed a cooperation agreement for maritime transport. The deal includes developing commercial maritime navigation and increasing the traffic of commercial ships.

In a nutshell, the Mordor Intelligence Saudi Arabian Freight and Logistics Market Report is a must-read for start-ups, industry players, investors, researchers, consultants, business strategists, and all those who are looking to understand the Saudi Arabian Freight and Logistics industry. Get a glance at <https://www.mordorintelligence.com/industry-reports/saudi-arabia-freight-and-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/freight-logistics-market-in-australia>
- <https://www.mordorintelligence.com/industry-reports/cambodia-freight-and-logistics-market>
- <https://www.mordorintelligence.com/industry-reports/colombia-freight-logistics-market-study>
- <https://www.mordorintelligence.com/industry-reports/freight-logistics-market-study>
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