



## Operating Environment

The logistics sector is undergoing significant transformation, shaped by local, regional, and global trends. Driven by Vision 2030, Saudi Arabia aims to become a global logistics hub, supported by initiatives like the National Transport and Logistics Strategy (NTLS) and the National Industrial Development and Logistics Program (NIDLP).



## Local Trends

The air cargo market in Saudi Arabia is projected to grow at a Compound Annual Growth Rate (CAGR) of 14%, reaching 2.3 million tonnes by 2030.

Simultaneously, the e-commerce sector is expected to expand at a CAGR of 13%, reaching SAR 26 billion by 2030. These growth trajectories highlight increased demand for air cargo handling, end-to-end logistics, advanced warehousing, and fulfillment services.

Additionally, specialized logistics solutions are becoming essential for growth sectors such as healthcare, automotive, aerospace, and government-related events.

## Regional Trends

The region is rapidly gaining recognition as a pivotal logistics hub. Saudi Arabia is poised to take a leading role, emerging as a key transit point linking Asia, Europe, and Africa while strengthening its position as a major import/export market within the GCC. This underscores the growing demand for efficient logistics solutions to handle the increasing trade volumes.

A distinctive feature of the Saudi market, compared to the broader region, is the strong demand for high-quality Class A warehouse space, which has yet to be met with sufficient supply. When benchmarked against other regional logistics hubs such as the UAE and Bahrain, this gap presents a significant opportunity for early movers in warehouse real estate to capitalize on favorable market conditions.

## Global Trends

Globally, there is growing demand for air freight services for pharmaceuticals and other high-value, time-sensitive goods. The shift towards reduced storage times and the rising presence of international competitors through acquisitions and partnerships intensify the competitive landscape. These trends necessitate agility, innovation, and efficiency to remain competitive.