

Saudi Arabia Third-Party Logistics (3PL) - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2020 - 2029

Market Report | 2024-02-17 | 150 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License \$4750.00
- Team License (1-7 Users) \$5250.00
- Site License \$6500.00
- Corporate License \$8750.00

Report description:

The Saudi Arabia Third-Party Logistics Market size is estimated at USD 13.70 billion in 2024, and is expected to reach USD 18.67 billion by 2029, growing at a CAGR of 6.38% during the forecast period (2024-2029).

The COVID-19 pandemic impacted the volume of demand for goods in several sectors in Saudi Arabia. The import sector of retail products experienced an unprecedented decline due to the widespread closure of retail stores and the imposition of travel restrictions, and many challenges have arisen for the Third-party logistics sector in Saudi Arabia.

In Saudi Arabia, the third-party logistics sector is gaining a lot of traction as a way to manage the growing cross-border movement of commodities. Consumer preferences are changing, and there is a growing desire for faster delivery times and more effective supply chain management; therefore, 3PL companies in the country are incorporating technology and automation into their supply chain services.

Saudi Arabia is a trade partner with many countries of the globe owing to the large oil reserves present in the country. Saudi Arabia lies at the crossroads of key international trade routes between three continents: Asia, Europe, and Africa. The accessibility to emerging markets hands significant trade advantages to the country and highlights the growing demand for 3PL in the country.

The lesser control of manufacturers on logistics service and delivery processes is anticipated to hinder the third-party logistics market for some in the coming years. Factors such as enabling cost reduction, availability of specialized service providers, the presence of industrial zones, and increasing industrialization are driving the 3PL logistics market in Saudi Arabia.

According to a business magazine in 2022, the Saudi Arabia 3PL market was mostly road-dominated and had around 40,000

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

trucks. The higher availability of trucks indicated fierce competition among the players, giving an advantage to low-cost trucking in the region. Moreover, In order to further enhance mobility in the country, the government is investing in expanding the transportation infrastructure through city infrastructure projects, such as the USD 22.5 billion Riyadh Metro and Riyadh Rapid Bus Transit System.

Saudi Arabia Third-Party Logistics (3PL) Market Trends

Growth in E-Commerce boosting the demand for 3PL services

- The expansion in the e-commerce business drove the growth of the 3PL market in Saudi Arabia. COVID-19 lockdown measures had a significant impact on e-commerce. Despite the fact that sales were already strong throughout the review period, limits and curfews prompted most businesses to shift from in-store to e-commerce to offset losses (due to the absence of in-store shopping). With the expansion of the supply chain and the emergence of new technologies, new businesses have evolved, and existing businesses have grown even more.
- Saudi Arabia has the largest population in the GCC, with a tech-savvy and growing young population, which makes it a key market player in the region. In 2022, more than 90 percent of the population had internet access. These factors eased e-commerce adoption among the population, with around 80 percent of active internet users in Saudi Arabia engaging in online shopping, which is the same share as in China.
- Thus, Saudi Arabia's e-commerce market is one of the largest in the region, and it is expected to continue growing. While the COVID-19 pandemic shook businesses around the world, e-commerce witnessed immense growth. Saudi Arabia was no exception to this general trend.

Increasing Maritime Trade in Saudi Arabia is Driving Demand for 3PL Services.

- Saudi Arabia's marine industry has been changing rapidly, making the country a regional logistic hub and an international participant in global trade because the region is at a key location in the international trade route. Saudi Arabia has an advantage in the marine industry as it overlooks the Red Sea and the Arabian Gulf.
- Saudi Arabia is one of the main destinations for maritime activities and is on the path of becoming a complete logistic hub. All the development in the maritime sector is enhancing the logistic services of the country making it reach a better logistic position. This scenario has highly increased the need for 3PL logistics in Saudi Arabia to efficiently handle complex marine logistics processes.
- The King Abdullah Port Project, which drew an investment of SAR 40 billion (USD 10.66 billion), is contributing to increasing Saudi exports to more than SAR 600 billion (USD 159.96 billion) by 2030. King Abdullah Port is the first port that is fully owned and operated by the private sector. The port is known for its container handling capacity and is listed as one of the world's largest ports.
- The Saudi government has recognized the importance of the maritime industry to expand its regional as well as international logistic services in the state. Saudi Arabia is now one of the main destinations for maritime activities and is on the path of becoming a complete logistic hub.
- 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. It also aims to provide facilities to maritime transport companies. The agreement also includes a mechanism for the treatment of ships of both countries when accessing their ports, stay, and departure, and in cases of emergency and maritime accidents in their territorial waters.

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

The market is fairly fragmented, with a large number of domestic and international businesses competing. Among the major players are DHL, Almajdouie Logistics, Al-Futtaim Logistics, wared Logistics, and Aramex. Top companies in the industry are focusing on strategic market initiatives to expand their product capabilities and market presence. The dry warehouse is the most common type of warehousing, and it has seen significant growth in recent years. Given the potential of the region and the growing relevance of commercial ties, logistics and service organizations that currently have a huge foothold in Saudi Arabia are extending their operations.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

Table of Contents:

1 INTRODUCTION

- 1.1 Study Deliverables
- 1.2 Study Assumptions
- 1.3 Scope of the Study

2 RESEARCH METHODOLOGY

- 2.1 Analysis Methodology
- 2.2 Research Phases

3 EXECUTIVE SUMMARY

4 MARKET INSIGHTS & DYNAMICS

- 4.1 Current Market Scenario
- 4.2 Market Dynamics
 - 4.2.1 Drivers
 - 4.2.1.1 Increasing Cross-Border Trade
 - 4.2.1.2 Development of Transportation Infrastructure in the Country
 - 4.2.1.3 Establishment of Special Economic Zones
 - 4.2.2 Restraints
 - 4.2.2.1 High Cost of 3PL Services
 - 4.2.2.2 Skilled Labor Shortages
 - 4.2.3 Opportunities
 - 4.2.3.1 Saudi Vision 2030
 - 4.2.3.2 Changing Consumer Demands
- 4.3 Value Chain/Supply Chain Analysis
- 4.4 Industry Policies and Regulations
- 4.5 General Trends in Warehousing Market
- 4.6 Demand from Other Segments, such as CEP, Last Mile Delivery, and Cold Chain Logistics
- 4.7 Insights into the E-commerce Business
- 4.8 Technological Developments in the Logistics Sector
- 4.9 Industry Attractiveness - Porter's Five Forces Analysis
 - 4.9.1 Bargaining Power of Suppliers

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

- 4.9.2 Bargaining Power of Buyers/Consumers
- 4.9.3 Threat of New Entrants
- 4.9.4 Threat of Substitute Products
- 4.9.5 Intensity of Competitive Rivalry
- 4.10 Impact of COVID-19 on the Market

5 MARKET SEGMENTATION

- 5.1 By Service
 - 5.1.1 Domestic Transportation Management
 - 5.1.2 International Transportation Management
 - 5.1.3 Value-added Warehousing and Distribution
- 5.2 By End-User
 - 5.2.1 Automotive & Manufacturing
 - 5.2.2 Oil and Gas
 - 5.2.3 Chemical
 - 5.2.4 Distributive Trade (Wholesale and Retail Trade, including E-commerce)
 - 5.2.5 Pharmaceutical and Healthcare
 - 5.2.6 Construction
 - 5.2.7 Other End-Users

6 COMPETITIVE LANDSCAPE

- 6.1 Market Concentration Overview
- 6.2 Company Profiles
 - 6.2.1 Almajdouie Group
 - 6.2.2 Al-Futtaim Logistics
 - 6.2.3 WARED LOGISTICS
 - 6.2.4 Deutsche Post DHL Group - DHL Supply Chain
 - 6.2.5 Aramex
 - 6.2.6 BAFCO International
 - 6.2.7 Hala Supply Chain Services
 - 6.2.8 Starlinks Logistics
 - 6.2.9 LSC Logistics
 - 6.2.10 Mosanada Logistics Services (MLS)
 - 6.2.11 Motion Supply Chain
 - 6.2.12 Etmam Logistics
 - 6.2.13 Camels Party Logistics*

7 FUTURE OF THE SAUDI ARABIA 3PL MARKET

8 APPENDIX

- 8.1 Macroeconomic Indicators (GDP Distribution, by Activity, Contribution of the Transport and Storage Sector to Economy)
- 8.2 External Trade Statistics - Exports and Imports, by Product
- 8.3 Insights into the Key Export Destinations and Import Origin Countries

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

Saudi Arabia Third-Party Logistics (3PL) - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2020 - 2029

Market Report | 2024-02-17 | 150 pages | Mordor Intelligence

To place an Order with Scotts International:

- Print this form
- Complete the relevant blank fields and sign
- Send as a scanned email to support@scotts-international.com

ORDER FORM:

Select license	License	Price
	Single User License	\$4750.00
	Team License (1-7 Users)	\$5250.00
	Site License	\$6500.00
	Corporate License	\$8750.00
		VAT
		Total

*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*	<input type="text"/>	Phone*	<input type="text"/>
First Name*	<input type="text"/>	Last Name*	<input type="text"/>
Job title*	<input type="text"/>		
Company Name*	<input type="text"/>	EU Vat / Tax ID / NIP number*	<input type="text"/>
Address*	<input type="text"/>	City*	<input type="text"/>
Zip Code*	<input type="text"/>	Country*	<input type="text"/>
		Date	<input type="text" value="2026-02-26"/>
		Signature	

Scotts International. EU Vat number: PL 6772247784

tel. 0048 603 394 346 e-mail: support@scotts-international.com

www.scotts-international.com

