



GCC Logistics and Transportation Outlook 2015



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Agenda

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GCC's Economic and Logistics Infrastructure Overview

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Key Developments Impacting GCC Transportation and Logistics Market

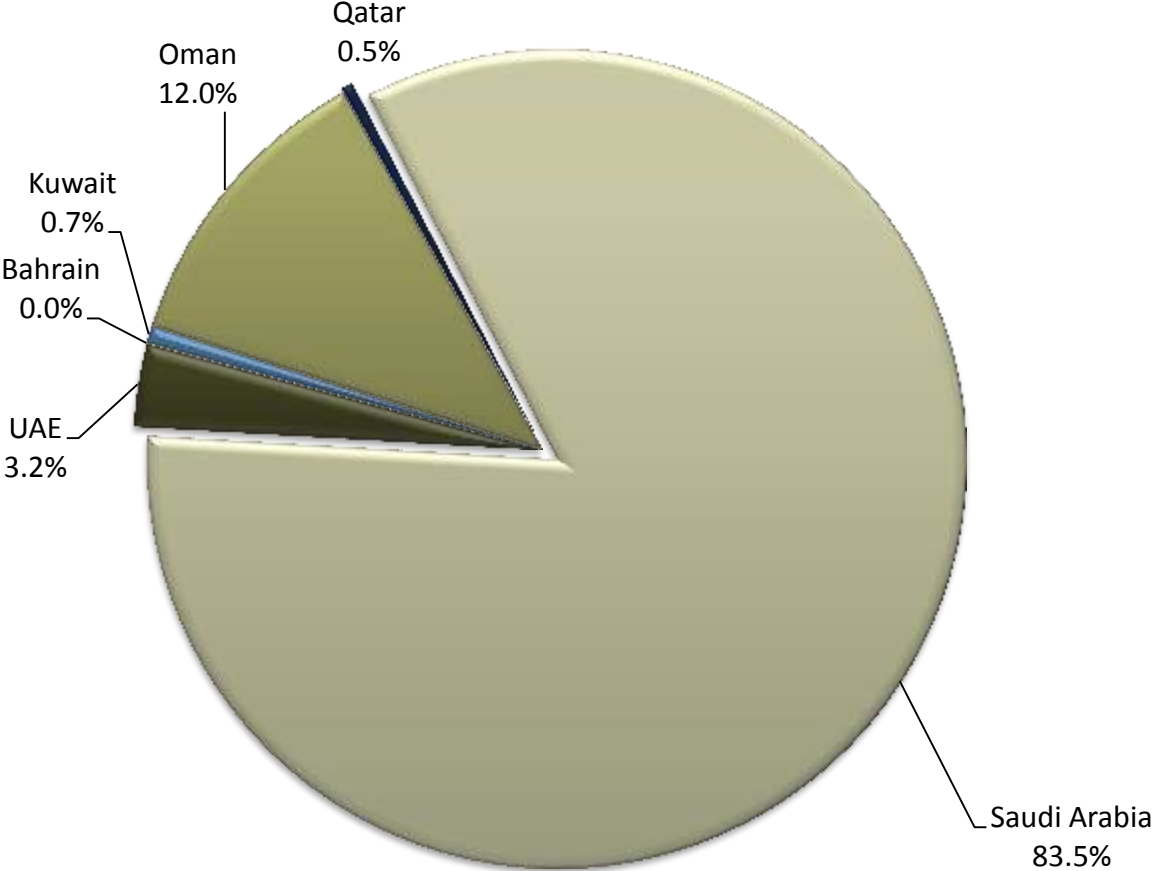
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Outlook for GCC Transportation and Logistics Market

GCC's ECONOMIC AND LOGISTICS INFRASTRUCTURE OVERVIEW

GCC Countries Area and Composition by Country

GCC's Area Composition by Country, 2014



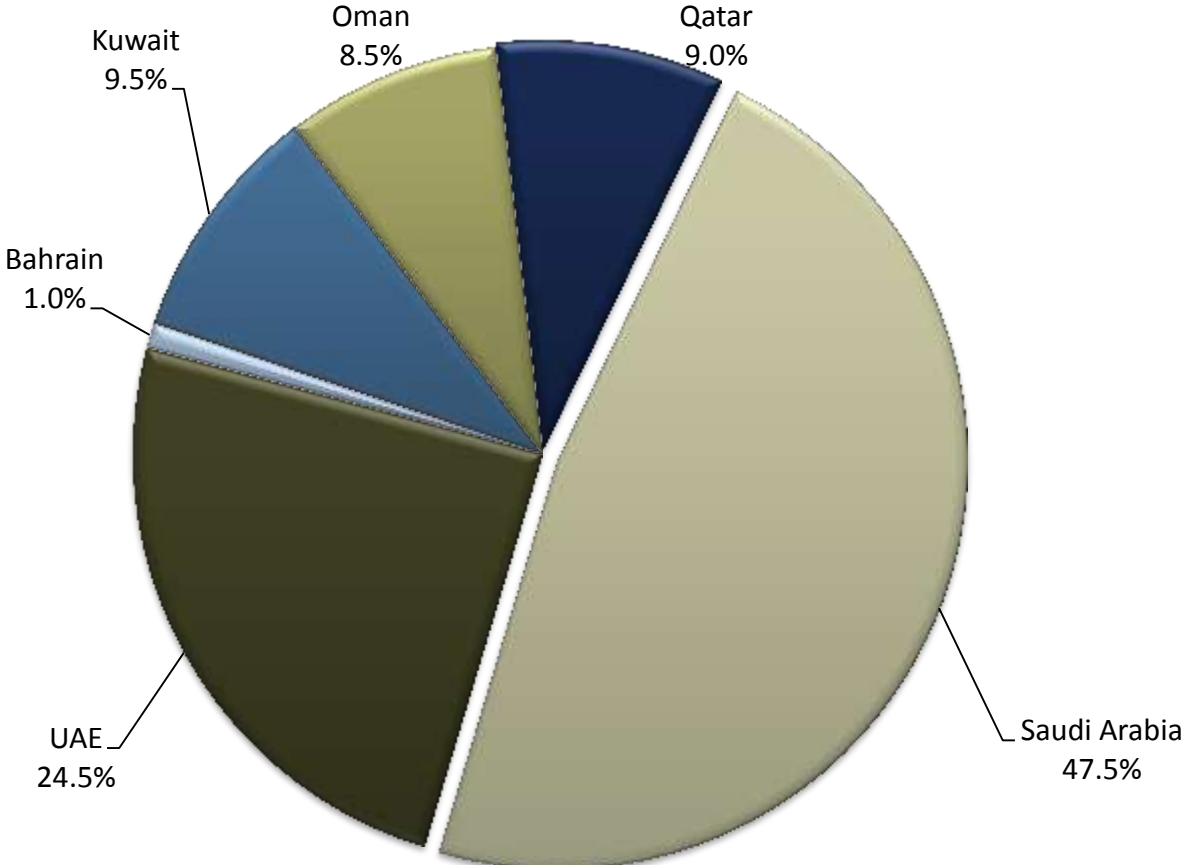
▪ **GCC Total Area: 2.57 million Sq. Kms**

▪ **GCC Share in Total World Area : 0.5%**

Source: World Bank Data, Frost & Sullivan analysis

GCC Countries GDP and Composition by Country

GCC's Gross Domestic Product Composition by Country, 2014



▪ **GCC GDP in 2014 at Current Price: US\$ 1,650 billion (approx)**

▪ **GCC Share in Global GDP in 2014 at Current Price: 2%**

Source: World Bank Data, Frost & Sullivan analysis

GCC Transportation Infrastructure Snapshot

GCC Transportation Infrastructure Snapshot, 2014

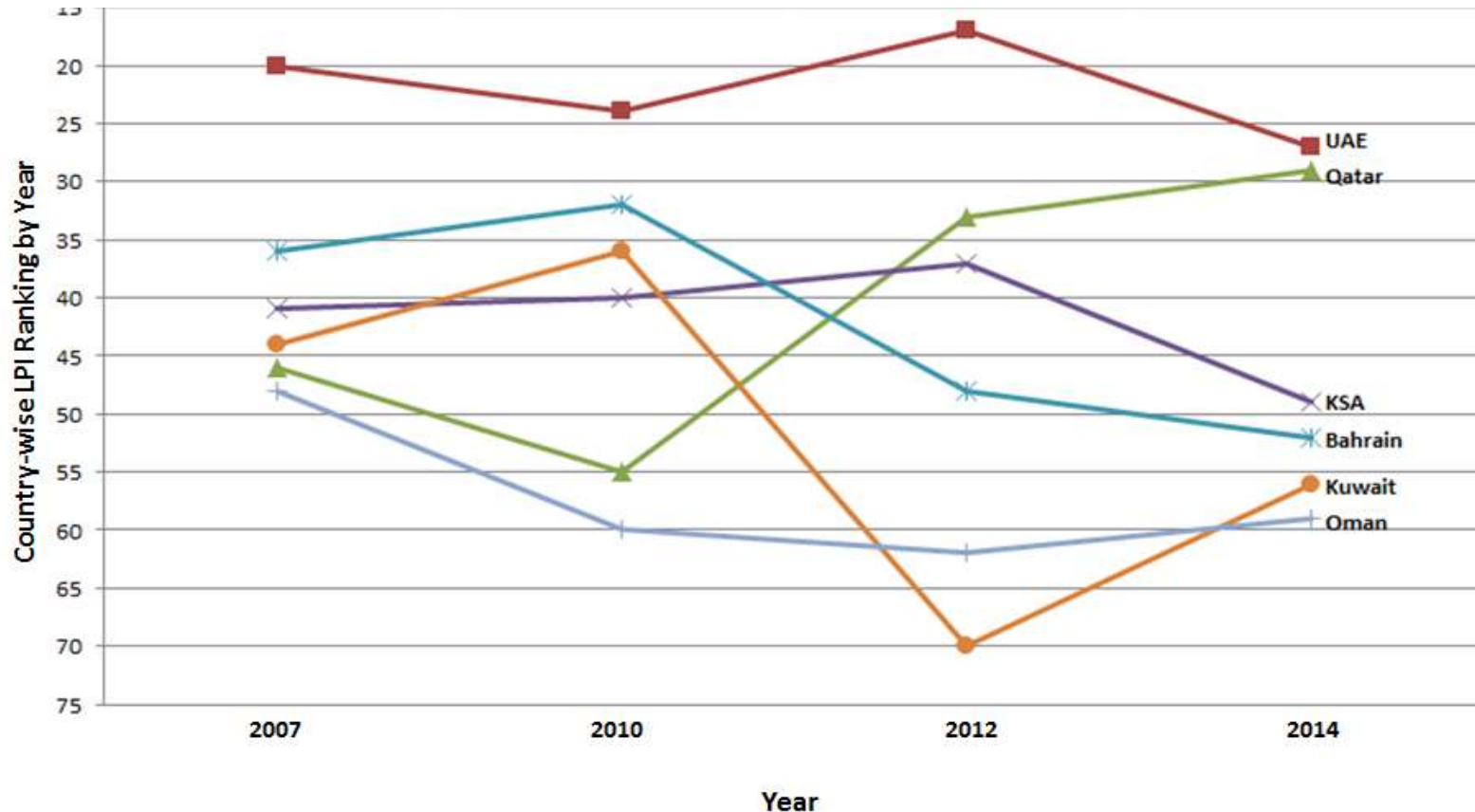
Country	Airports	Rail Network	Total Road Network	Road Density	Sea Ports	Pipelines	Marine vessels
Bahrain	4	0	4122	542.4%	2	74	13
Kuwait	4	0	6608	37.1%	4	853	89
Oman	13	0	60,240	19.5%	5	8185	20
Qatar	4	0	9830	84.8%	3	3830	63
KSA	82	1,378	221,372	10.3%	5	10,600	127
UAE	25	50	4,080	4.9%	6	7,738	314

- Currently, surface-based cargo movement across borders within the GCC primarily happens through road.
- Almost 99 per cent cargo volume of the non-surface based transportation takes place via the sea mode.
- Except for Kingdom of Saudi Arabia none of the other countries yet have any notable / intercity rail network.

Source : Frost & Sullivan analysis

GCC Transportation and Logistics Infrastructure Development Scenario

GCC Transportation and Logistics Infrastructure Development Scenario, 2007-2014

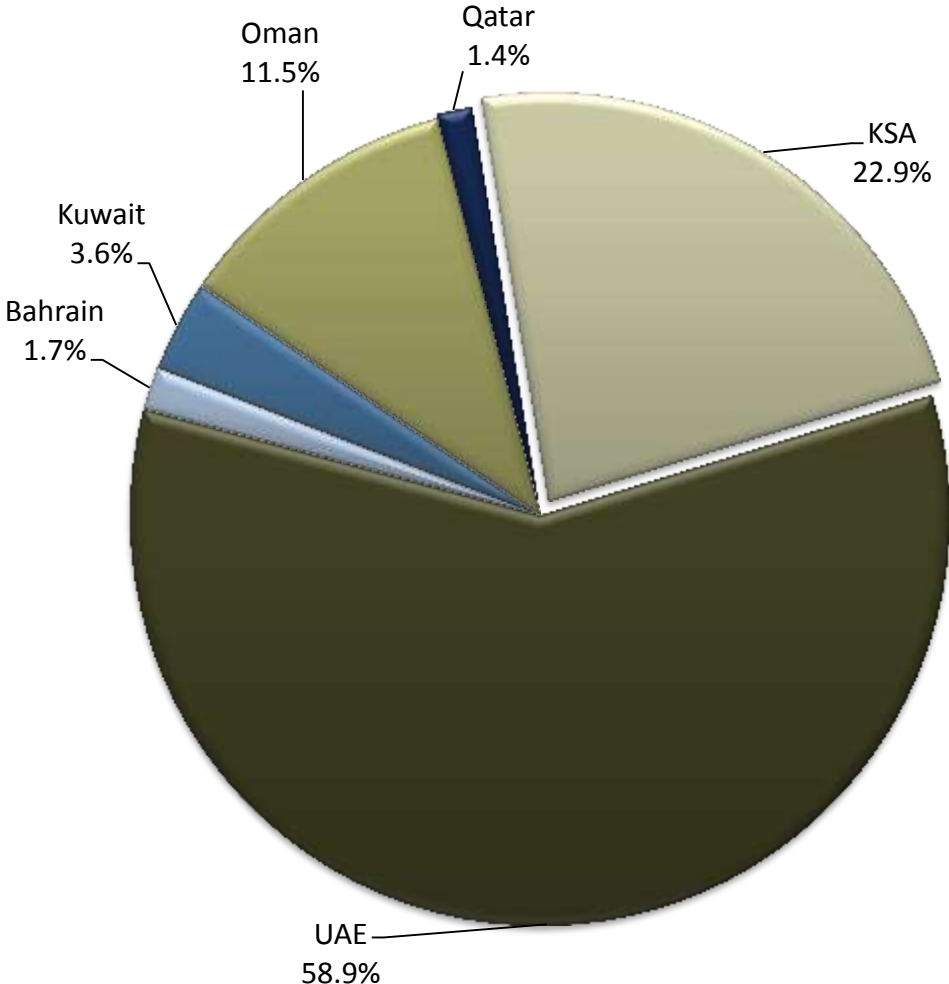


- Qatar seems to be realising the development ahead of other members within GCC, going by the rapid rise in its ranks within World Bank's LPI, between 2010 and 2014.

Source : Frost & Sullivan analysis

GCC Countries Container Volume and Composition by Country

GCC's Total Container Volume Composition by Country, 2014



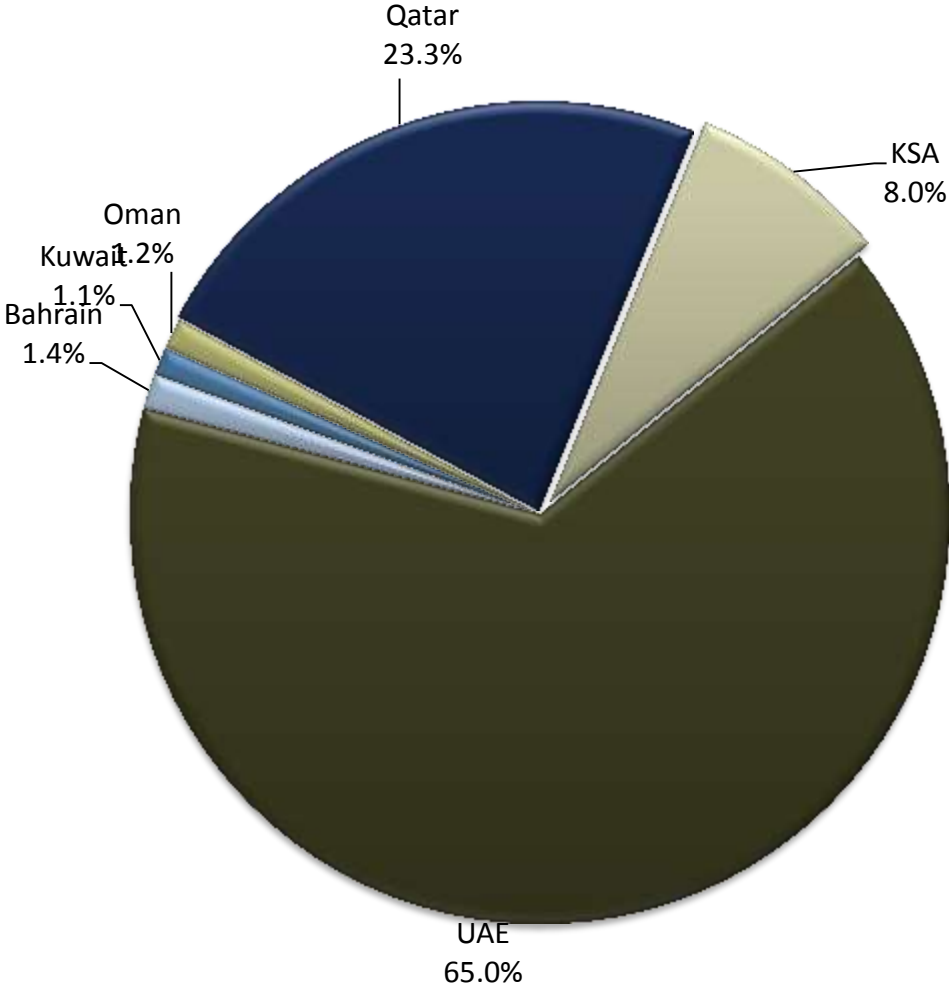
▪ GCC's total container volume in 2014 was estimated at approximately 32 million TEUs

▪ GCC's Share in Global container volume in 2014 was estimated at approximately 2%

Source: World Bank Data, Frost & Sullivan analysis

GCC Countries Air Freight Volume and Composition by Country

GCC's Total Air Freight Volume Composition by Country, 2014



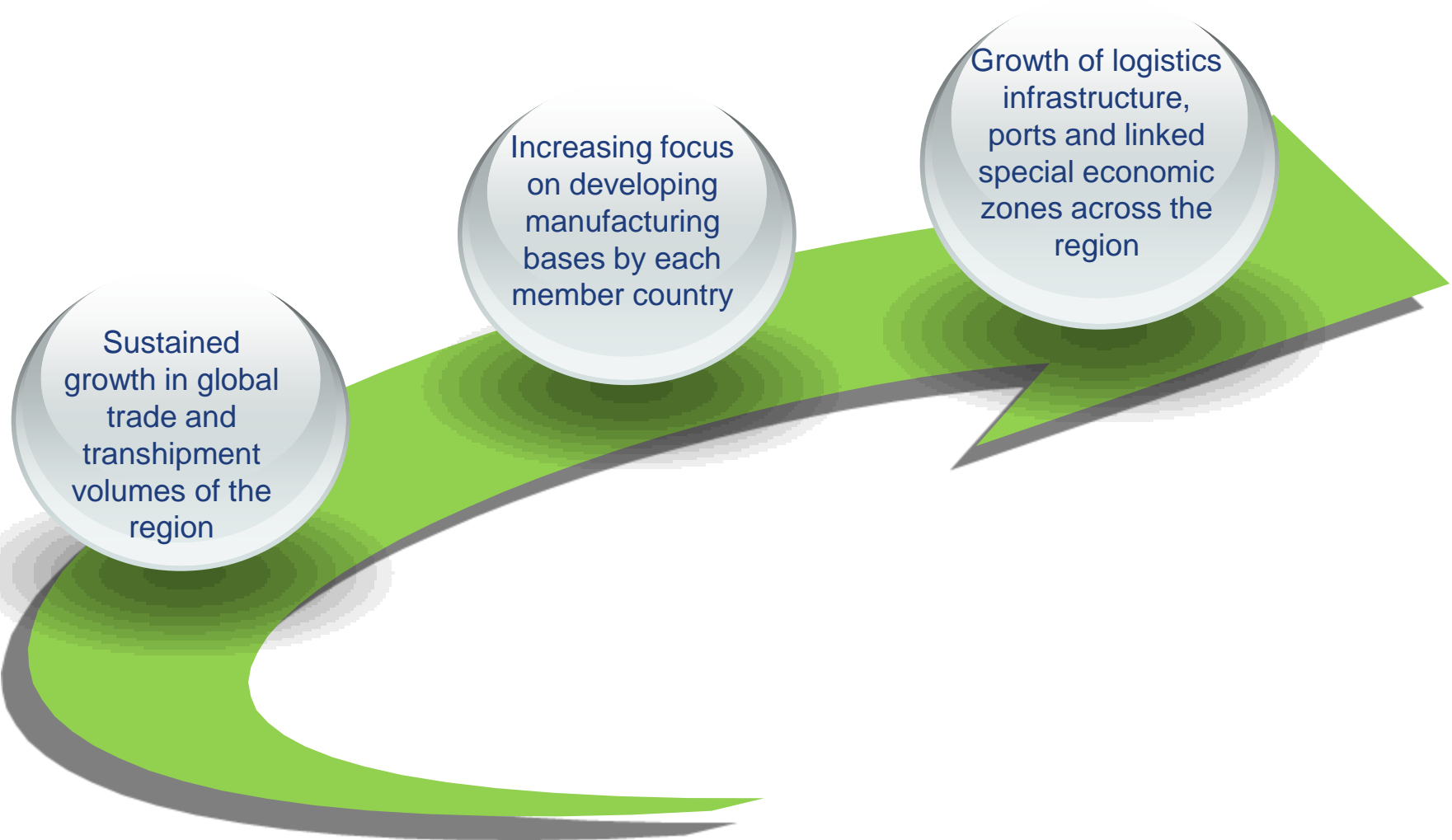
▪ GCC's total air freight volume in 2014 was estimated at approximately 22 Billion Ton Kms

▪ GCC's Share in Global air freight volume in 2014 was estimated at approximately at 5%

Source: World Bank Data, Frost & Sullivan analysis

***KEY DEVELOPMENTS IMPACTING GCC TRANSPORTATION AND
LOGISTICS MARKET***

Major Drivers of GCC Transportation and Logistics Market



Source : Frost & Sullivan analysis

Major Restraints of GCC Transportation and Logistics Market



Economic slowdown from oil price drop, affecting infrastructure development

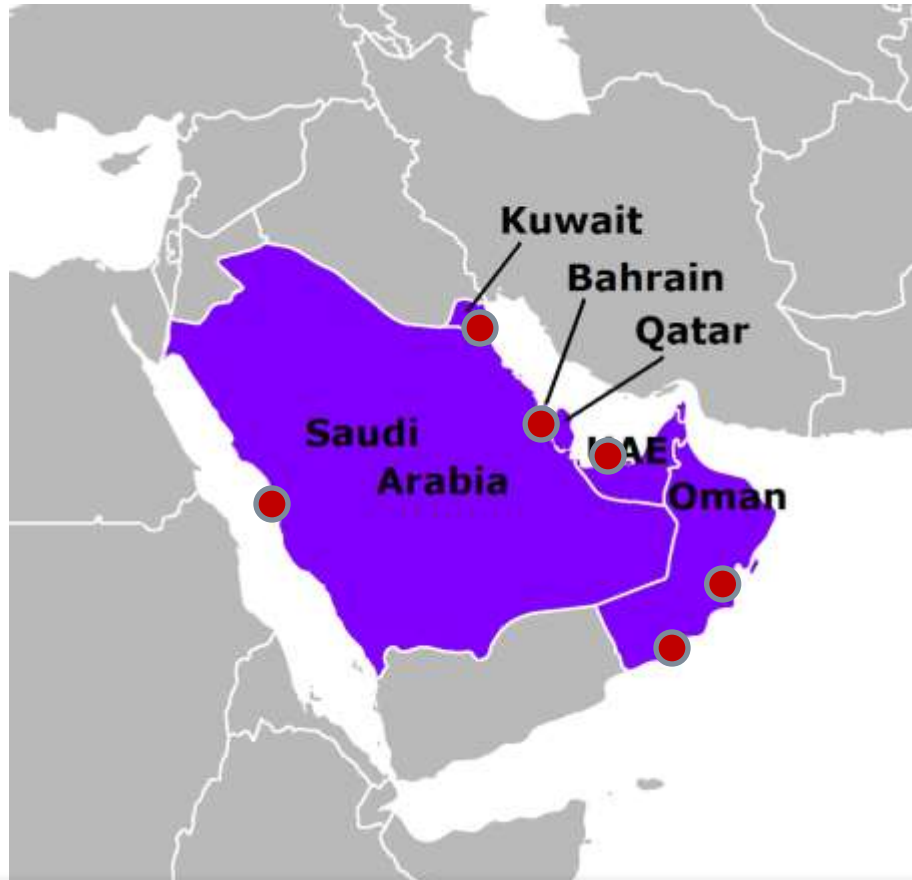
Concerns on civil unrest in the neighboring countries restricts investments and growth

Potential cannibalization of logistics volumes between ports within the region affects revenue

Source : Frost & Sullivan analysis

Development of SEZ Integrated New Ports in the Region

SEZ Integrated New Ports Developed in GCC Countries



- Oman's Duqm, Qatar's New Port, and UAE's KIZAD are among these type of ports.

Source: GCC, Frost & Sullivan analysis

Transnational Road and Rail Connectivity Corridors in the Region

Route Map of GCC Rail - The Transnational Transport Connectivity Corridor



- Along the transnational rail (GCC Rail) connecting all the member countries, transnational road corridors are also being expected, that would enhance cargo volume movement within members and also to other neighboring countries.

Source: GCC, Frost & Sullivan analysis

Growth of Multiple GCC based Logistics Companies into Leading Global Players

An increasing number of GCC based logistics companies are slowly growing into leading global logistics players by expanding their geographic footprint, and customer reach. Select few from such companies include:

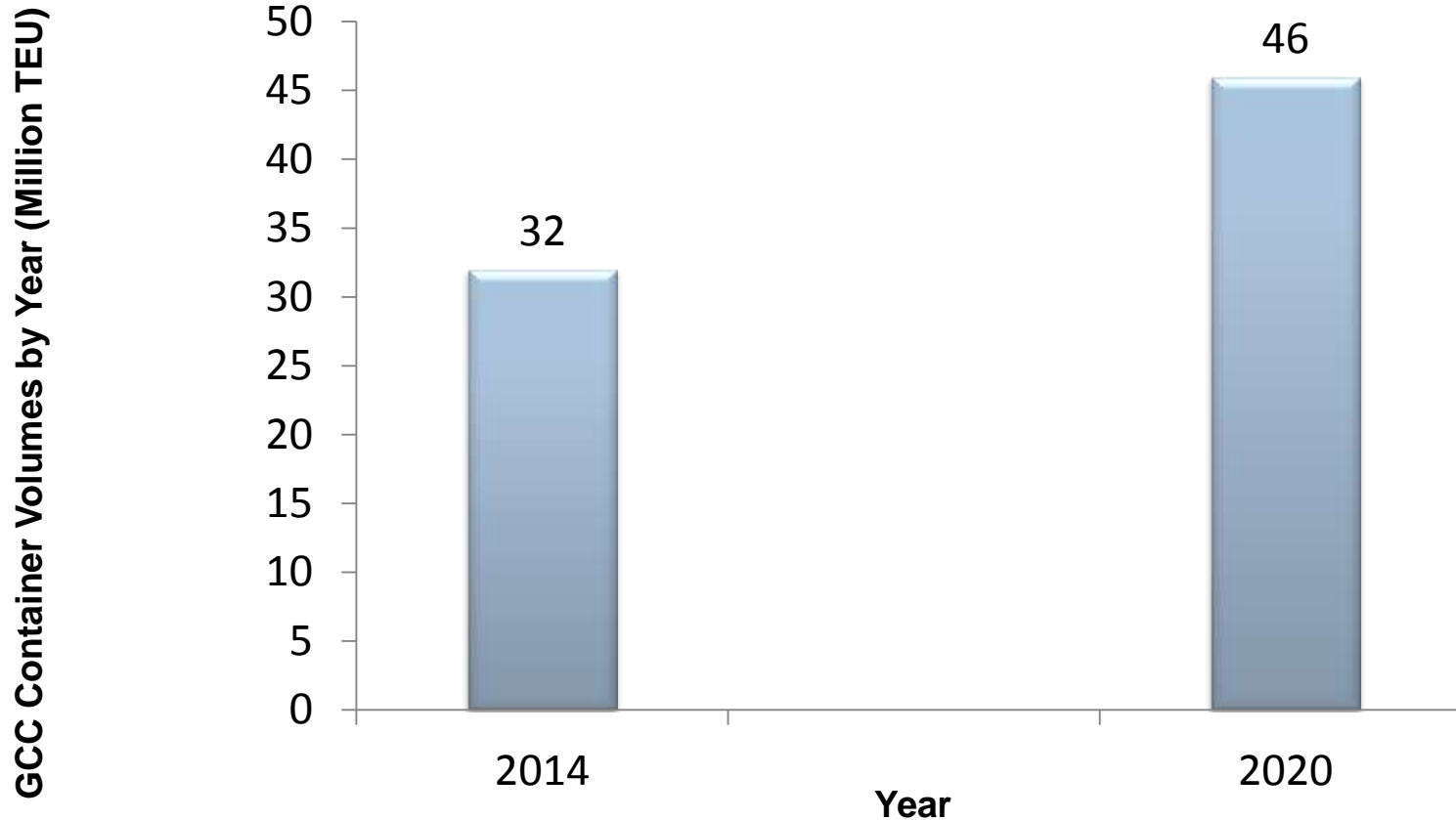
- Aramex
- Agility
- DP World
- Gulf Warehousing Corporation (GWC)
- Gulf Agency Company (GAC)
- Emirates Cargo
- Transworld Logistics

Source: Frost & Sullivan research

OUTLOOK FOR GCC TRANSPORTATION AND LOGISTICS MARKET

Outlook for GCC Transportation and Logistics Market – Container Volume

GCC Container Volume Growth Forecast, 2014 to 2020

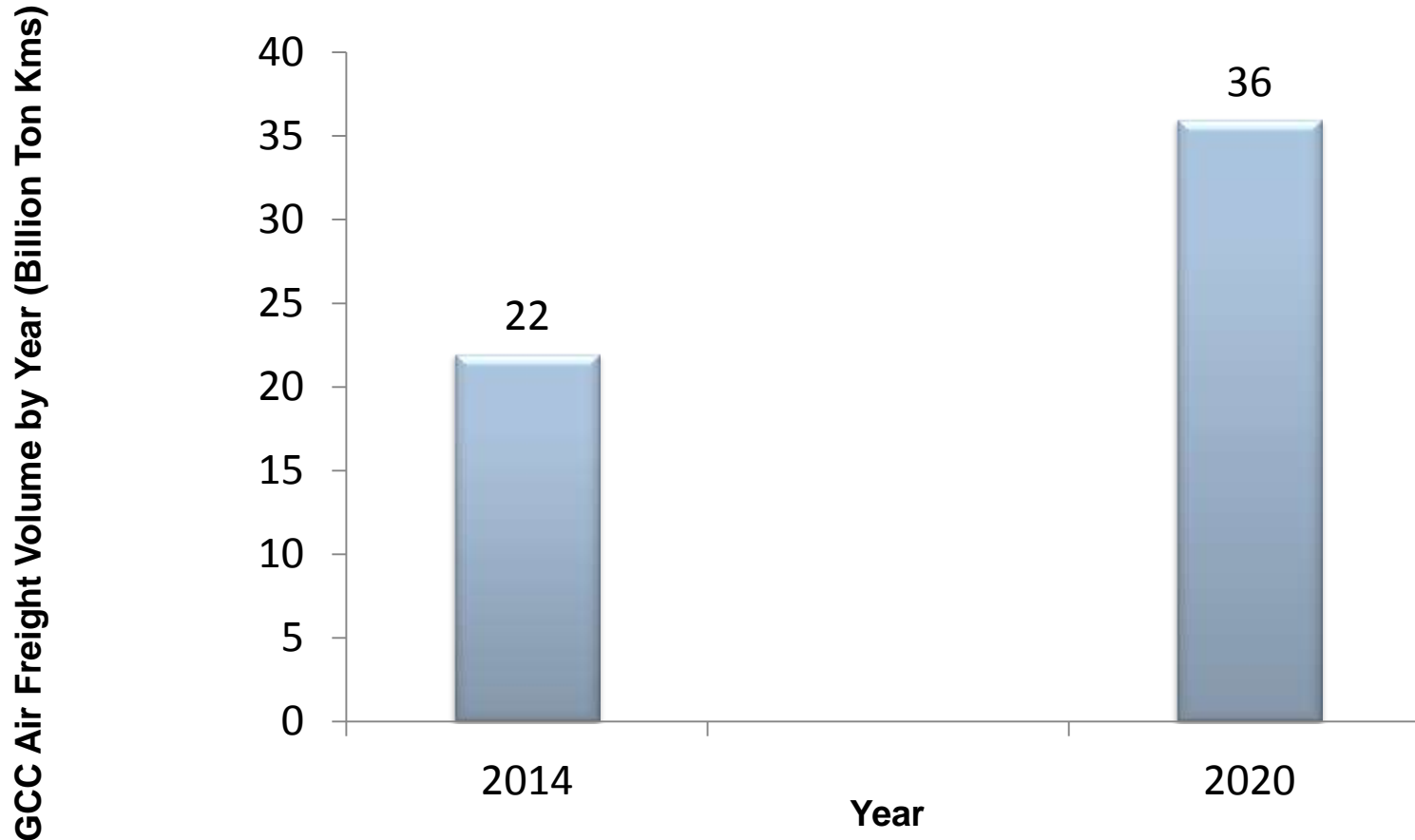


• GCC's container volume is expected to grow at about 6.2% CAGR during the period 2014-2020

Source : Frost & Sullivan analysis

Outlook for GCC Transportation and Logistics Market – Air Freight Volume

GCC Air Freight Volume Growth Forecast, 2014 to 2020

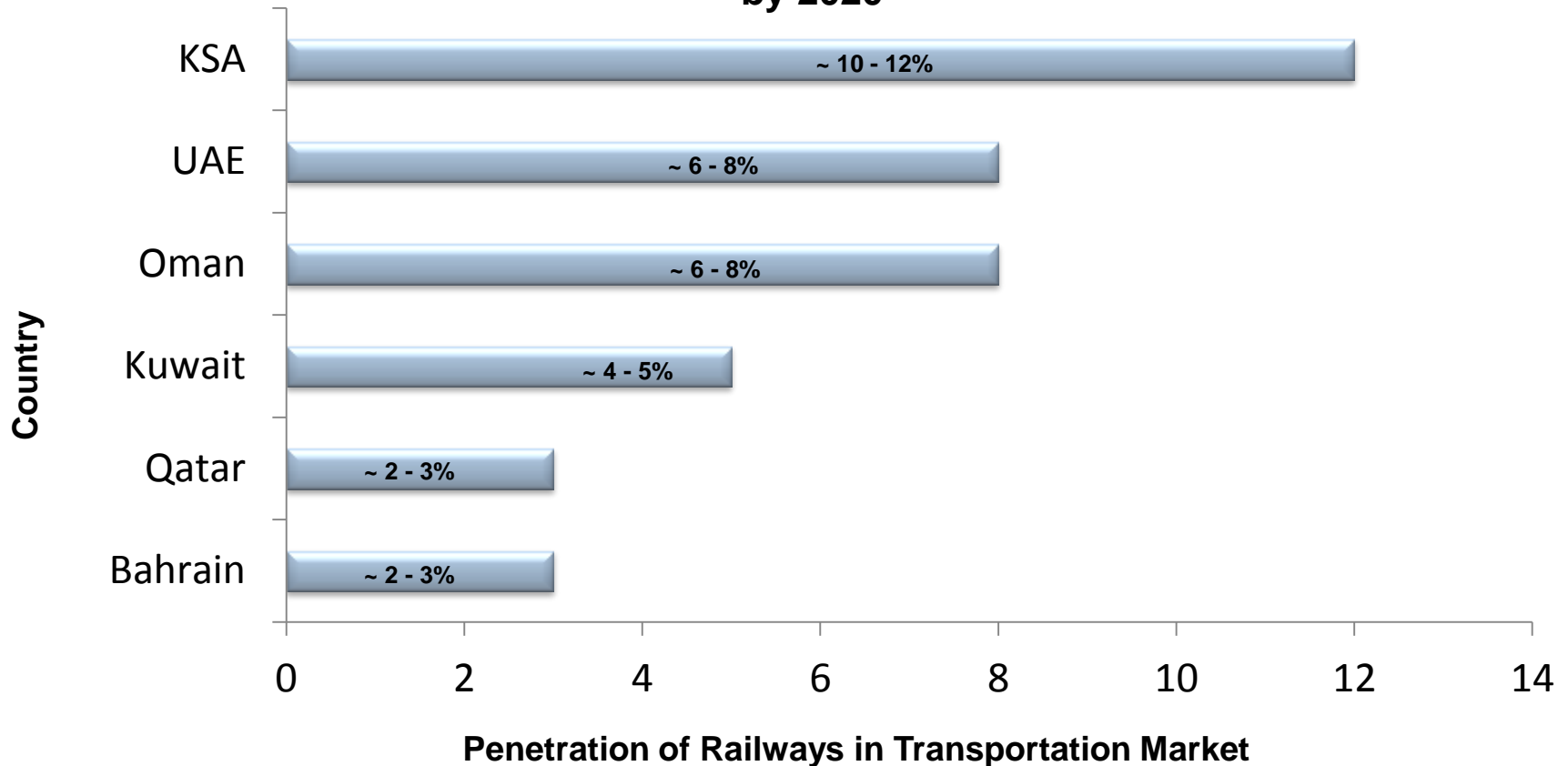


- GCC's air freight volume is expected to grow at about 9 % CAGR during the period 2014-2020

Source : Frost & Sullivan analysis

Outlook for GCC Transportation and Logistics Market – Railways Penetration

GCC Country-wise Expected Penetration of Railways in Transportation Market by 2020

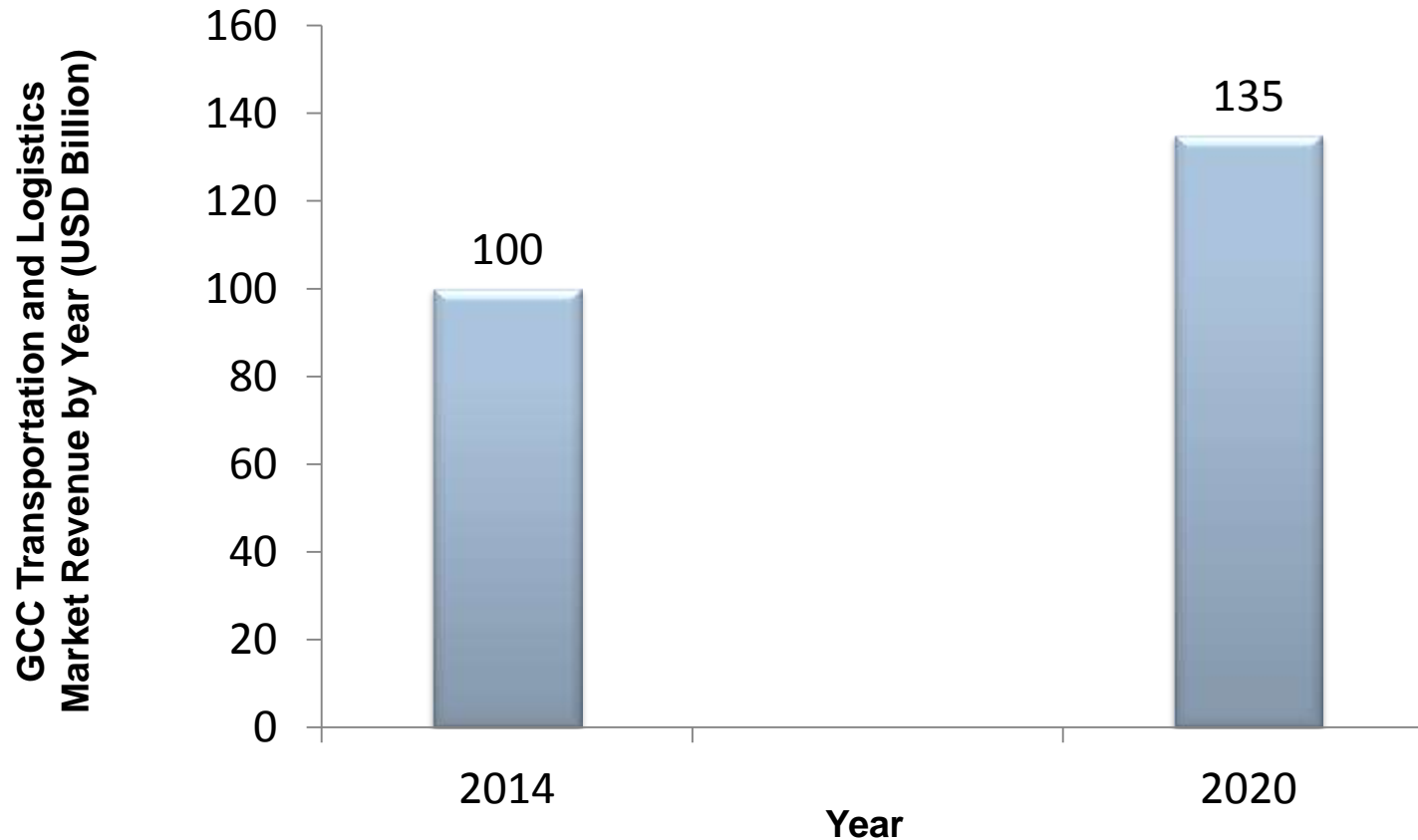


• The penetration figures given above are expected to be achieved upon realization of respective country rail networks

Source : Frost & Sullivan analysis

Outlook for GCC Transportation and Logistics Market – Revenue Forecast

GCC Transportation and Logistics Market Revenue Forecast, 2014 to 2020



- GCC's transportation and logistics market revenue is expected to grow at about 5% CAGR during the period 2014-2020

Source : Frost & Sullivan analysis

Key Conclusions for GCC Transportation and Logistics Market Outlook

- **GCC is a high potential zone for transportation and logistics market growth. The region's logistics market is expected to grow at around 5% for the next few years.**
- **The region's cargo/freight volume growth is expected to be driven by factors such as new transshipment hub ports development and transnational networks among others.**
- **Key restraints for GCC transportation and logistics market are economic slowdown and civil unrest in the neighboring countries.**
- **Upon realization of the rail networks being developed by each of the GCC countries, the mode is expected to gain notable share in transportation**
- **Each of the GCC countries are striving to enhance respective logistics infrastructure, that is visible from their improving ranks in the Global LPI study.**

Source : Frost & Sullivan analysis

Frost & Sullivan Transportation & Logistics Practice— Middle East North Africa and South Asia

The transportation & logistics consulting practice of Frost & Sullivan in Middle East North Africa and South Asia (MENASA) has been providing growth consulting and research solutions for most of the leading transportation & logistics companies in the region. Our competencies in providing growth solutions cover a broad range of markets for the following types of organizations:

Service Providers	Service Users	Infrastructure Developers
Third Party/ Fourth Party Logistics Sourcing Opportunities and Strategies	Customer Satisfaction of LSP Users	Business Planning and Growth Strategies
Transportation Markets (Surface, Railways, Air, Ocean and Intermodal)	Outsourcing Maturity Index	Growth Opportunities in Transportation Infrastructure
Business Planning and Growth Strategies	Supply Chain Efficiency Enhancements	Growth Opportunities in Warehousing Infrastructure
Warehousing Markets opportunities (Logistics Parks, FTWZs)	Alternate Transportation Modes opportunity	Demand Estimation
Best Practices	Partner Selection	Location Identification

As the countries in MENASA witness a growth in the logistics and transportation industry, we at Frost & Sullivan, transportation & logistics consulting practice, aim to help our clients carve their own niche in these promising industry segments.

Frost & Sullivan Transportation & Logistics Practice—Middle East North Africa and South Asia (Published Reports)

The transportation & logistics consulting practice of Frost & Sullivan in Middle East North Africa and South Asia (MENASA) had published the following list of market study reports on this region:

- Strategic Analysis of Oman's Transportation and Logistics Market
- First Annual Study on Gulf Cooperation Council (GCC) Logistics Industry Benchmarking
- Strategic Analysis of Qatar's Transportation and Logistics Market
- Growth Opportunities in Oman's Logistics Market
- Strategic Insight on the Development of Rail Projects in the Middle East and North Africa
- Strategic Insight on the Egyptian Transportation and Logistics Market
- Strategic Insight on the GCC Rail Sector
- Emerging Global Food Logistics Trends and their Potential Adoptability in the GCC
- Strategic Analysis of the Logistics Market and Contract Logistics in UAE
- Strategic Analysis of the Logistics Market and Contract Logistics in Saudi Arabia
- Strategic Analysis of the Logistics Market and Contract Logistics in Egypt

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