



Supply chain transformation in Saudi-Arabia

Kris Brusselmans – Kanoo Group





Supply chain transformation in KSA

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- ❑ *Belgian, 33 years experience in SCM, 15y in Middle East (Dubai, Riyadh, Bahrain)*
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Supply chain transformation in KSA

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- ❑ *KSA Vision 2030*
- ❑ *Logistics Performance Index*
- ❑ *Logistic Hubs concept*
- ❑ *GSCRI Initiative*
- ❑ *SEZ/Bonded-Free Zones*
- ❑ *Challenges and way forward*



Supply Chain transformation – relation to KSA Vision 2030



One of the key economic pillars of KSA Vision 2030 is to position the Kingdom of Saudi-Arabia as a **strategic gateway** connecting three continents, to improve the logistics **infrastructure** accordingly and to formalize/implement a plan to become a **global logistics hub**. Following initiatives support this:

- ▶ Saudi Logistics Hub (SLH)
- ▶ Global Supply Chain Resilience Initiative (GSCRI)
- ▶ National Industrial Development and Logistics Program (NIDLDP)
- ▶ Special Economic / Free / Bonded Zones
- ▶ >>>> **Increase LPI (Logistics Performance Index) score**





Supply chain transformation –LPI Index



Logistics Performance Index is an interactive benchmarking tool created to help countries identify the challenges and opportunities they face in their six (6) core performance components on trade logistics and what they can do to improve their overall performance:

- ▶ **Customs**
- ▶ **Infrastructure**
- ▶ **International shipment**
- ▶ **Logistics quality and competence**
- ▶ **Tracking and tracing**
- ▶ **Timeliness.**





Supply Chain Transformation – Logistic Hubs concept



□ What's a Logistic Hub ?

□ The center of a specific area where all the activities relating to transport, logistics and goods distribution – both for national and international transit – are carried out on a commercial basis.

- Single and neutral legal body (preferably PPP)
- Support Import/export
- Road/rail/sea/air/inland port
- Compliant with free market rules, Performance & quality standards





Logistic Hubs concept



□ Benefits

- Cost efficiency
- Productivity improvement
- Service quality
- Economic Development
- Environmental sustainability
- Economic and socio-economic

□ Operational examples in KSA

- KAEC
- Al Khumra
- Integrated Logistics Bonded Zone Riyadh (ILBZ)

□ Saudi Logistics Hubs (SLH)

60 Logistics Platforms in KSA





Supply chain transformation in KSA – Global Supply Chain Resilience Initiative



- ❑ **Sustainability & Climate change**
 - Rail, EV, Hydrogen,

- ❑ **Future Industry Enablement**
 - Made in Saudi

- ❑ **Global Supply Diversification**

- ❑ **Advanced Manufacturing**
 - e.g. CEER, OXAGON,..





Integrated Logistics – Special Economic / Bonded / Free Zones



❑ Special Economic Zones / Free Zones

Industry cluster / innovation driven with specific incentive regime to attract investments e.g. JIZAN, OXAGON

❑ Bonded Zones

It is the area under the supervision of the competent customs department and the management of the operating company of the bonded zone, in which the goods placed are suspended from duties and restrictions.

e.g. B2B postponement services, VAS, deferred taxes, (de)consolidation, B2C..





Integrated Logistics – KSA challenges and way forward



- ❑ Infrastructure
 - - Interconnectivity / Intermodality / Land bridges

- ❑ Technology
 - - Integration into one system/data platform
 - e.g. PTA, Air/Seaport systems
 - - Automation

- ❑ Skilled workforce/employment
 - - Labor regulations e.g. night shifts/24x7, interim/temp

- ❑ Regulatory
 - One regulatory body on mobility
 - Eco-system to develop synchronize different initiatives

- ❑ Logistics Performance Index (55 to.....)





Thank you

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